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4

PART XXI.

FURTHER CORRESPONDENCE

RESPECTING THE

AFFAIRS OF PERSIA.

January to March 1910.

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| 376 | Sir A. Nicolson | 134 | 13, | International syndicate. Transmits reply of Minister for Foreign Affairs to <i>aide-mémoire</i> .. | 237 |
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| 379 | Sir A. Nicolson .. | 97 Tel. | 16, | Germany and Persia. Reports further communication with Minister for Foreign Affairs, and suggestion that troops should be recalled from Kazvin (see No. 401) .. | 238 | 395 | " " | 121 Tel. | 18, | Sattar and Bagher Khans. Refers to No. 394. Transmits message from His Majesty's consul at Tabreez to effect that Sattar and Bagher are to leave Tabreez on the 19th March | 244 |
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| 384 | India Office .. | .. | 16, | Naval detachment at Shiraz. Refers to No. 325. Detachment will be relieved as soon as possible. Hopes that it may be possible to withdraw altogether | 240 | 400 | To Sir A. Nicolson .. | 118 Tel. | 8, | International syndicate. States offer made by for loan to Government. Gives particulars as to security and comments (see No. 340) | 246 |
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ERRATA.

Page 92, No. 172, line 10.—For "28th ultimo" read "26th ultimo."
 Page 153, No. 260, line 15.—For "the Persian Minister for Foreign Affairs" read "the Russian Minister for Foreign Affairs."
 Page 185, No. 307, line 1.—For "17th June" read "12th June."
 Page 246, No. 400, despatch date.—For "March 18" read "March 8."

CONFIDENTIAL.

Further Correspondence respecting the Affairs of Persia.

PART XXI.

[98]

No. 1.

*Mr. F. C. Strick to Foreign Office.—(Received January 1, 1910.)**Baltic House, Leadenhall Street, London,
December 31, 1909.*

Sir,

REFERRING to my previous letters, I now beg to enclose copies of further cablegrams exchanged between my firm and its Bussorah house, and its Bushire and Tehran agents, on the subject of Hormuz oxide.

I have, &c.

FRANK C. STRICK.

Enclosure in No. 1.

Copies of Cablegrams received and sent by Frank C. Strick and Co., Limited, in connection with Hormuz Oxide Business.

RECEIVED from D. Brown, Tehran, the 24th December:—

"Your telegram to hand. The understanding is that any shipments will alter terms offer."

Received from F. C. Strick and Co., Limited, Bussorah, the 26th December:—

"Mouin-ut-Tujjar replies offering 16s. one shipment. Reis states West Hartlepool Steam Navigation Company, Limited, quoted same."

Sent to F. C. Strick and Co., Limited, Bussorah, the 28th December:—

"Mouin-ut-Tujjar, beg to decline the offer, A. Weir and Co. offering 20s. per ton (2,240 lbs.)."

Received from A. and T. J. Malcolm, Bushire, the 27th December:—

"We have a telegram from Mouin-ut-Tujjar informing us he will supply a full and complete cargo Hormuz oxide, January shipment, 16s. per ton of 2,240 lbs., to be discharged at two ports only, Europe. Telegraph if you accept. Telegraph name of steamer. Telegraph what date you expect to be ready. We are informed by Mouin-ut-Tujjar have offers from other houses, but much prefer to try to do the business with us."

Received from A. and T. J. Malcolm, Bushire, the 27th December:—

"Please reply to this and our previous telegram immediately. Immediate reply required so that we get it to-day. Two ports of discharge to be named on signing [1704] B

bills of lading, probably Norden, Avonmouth. Mouin-ut-Tujjar promises try to do the business with you."

Sent to A. and T. J. Malcolm, Bushire, the 28th December:—

"Mouin-ut-Tujjar, beg to decline the offer, A. Weir and Co. offering 20s. per ton (2,240 lbs.)."

Received from A. and T. J. Malcolm, Bushire, the 29th December:—

"Mouin-ut-Tujjar, what is the lowest rate you can accept?"

Sent to A. and T. J. Malcolm, Bushire, the 29th December:—

"We must decline, Mouin-ut-Tujjar humbugging."

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No. 2.

Sir G. Barclay to Sir Edward Grey.—(Received January 1.)

(No. 1.)
(Telegraphic.) P.

Tehran, January 1, 1910.

IN continuation of my telegram No. 812 of the 15th December, I have the honour to report that I have received from His Majesty's acting consul at Shiraz an able and comprehensive despatch dealing with the situation created on the Ispahan-Bushire road by the recent depredations of the Bori-Ahmadi tribesmen.

This tribe, thanks to its successful operations, and above all to its recent attack on M. Passek, has gained far-reaching prestige and a formidable power, and Mr. Bill is of opinion that its punishment is urgently demanded. He believes that the only Persian troops capable of undertaking such measures would be a joint force of Kashgais and Bakhtiaris, a combination which seems thwarted by the jealousy of the two chiefs, so that the time when mere abstention on our part will fail to meet the pressing necessities of the case cannot of necessity be far distant, if it is not already at hand. He advocates the punishment of the tribe by a British expedition.

Although deprecating such a step at the present moment, it is hard to avoid the conviction that we shall be forced at no distant date to consider the necessity of departing from our policy as formulated in your telegram to Sir A. Nicolson of the 3rd February unless the Persian Government are promptly supplied with funds. It is impossible indefinitely to tolerate the present state of things, which is so serious that the Russian consul-general is unable to proceed on his journey from Shiraz to Bushire.

It is clear that Mr. Bill does not believe that Persian Government are able to punish these outlaws. Be that as it may, prompt financial help can alone give them a chance of restoring order, and as the defeat of Rahim Khan's force in the north, reported yesterday, will naturally add to Government's prestige, the present moment is especially opportune for the granting of an advance.

The severe cold has lately forced the tribesmen to abandon the road, but this improvement cannot necessarily be lasting.

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No. 3.

Sir A. Nicolson to Sir Edward Grey.—(Received January 1.)

(No. 2.)
(Telegraphic.) P.

St. Petersburg, January 1, 1910.

I WAS told to-day by M. Isvolsky that he had had unsatisfactory news from the Ardebil district, to the effect that Sarab was threatened and that brigands were infesting the trade routes. He did not know to which party these brigands belonged. He had also heard that rebel tribes had surrounded Ephrem and that his position was precarious. Press telegrams from Tehran, on the other hand, reported that Rahim Khan had been defeated by Ephrem. These conflicting reports made it difficult to ascertain the true state of affairs.

[2]

No. 4.

Foreign Office to India Office.

Foreign Office, January 1, 1910.

Sir,
I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a telegram from His Majesty's Minister at Tehran,* reporting the desire of the Persian Government for the loan of a telegraph officer for a period of six months, to assist in the reorganisation of the Persian Telegraph Department, and strongly recommending that this wish should be complied with by the selection of Mr. New for the duty.

It will be within Viscount Morley's recollection that when in the course of last summer it was proposed to place Mr. New's services at the temporary disposal of the same administration to undertake the duty of corresponding with foreign telegraph departments and certain other work, the Russian Government raised objections on the ground that the holder of the post would have control over all messages passing over Persian wires, and that he ought not therefore to be either of British or of Russian nationality. The proposal was therefore dropped (see correspondence ending with Sir A. Godley's letter of the 14th August last).

In view, however, of the considerations advanced by Sir G. Barclay, and of the fact that the purpose for which Mr. New's services are required is not the same as on the former occasion, and may therefore not be open to the same objection from the Russian point of view, Sir E. Grey is disposed, if Lord Morley concurs, to instruct His Majesty's Ambassador at St. Petersburg to express to the Russian Government the hope that they will consent to the proposed arrangement.

I am, &c.

LOUIS MALLET.

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No. 5.

Sir G. Barclay to Sir Edward Grey.—(Received January 2.)

(No. 2.)

(Telegraphic.) P.

Tehran, January 2, 1910.

ARMS traffic.

His Majesty's acting consul-general at Bushire has been instructed by Government of India to enquire my views regarding his proposal that the consular escort at Bunder Abbas, in view of possible danger of attack from Afghan gun-runners, should be temporarily increased from sergeant and fifteen men to native officer and thirty men.

Already over 300 Afghans have arrived at Bunder Abbas, and consulate is situated in a most exposed position.

In view of these facts I have replied that I concur in the temporary increase of the consular guard and shall inform Persian Government in due course.

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No. 6.

Sir G. Barclay to Sir Edward Grey.—(Received January 2.)

(No. 3.)

(Telegraphic.) P.

Tehran, January 2, 1910.

OIL company.

In reply to your telegram No. 511 of the 30th December, I have the honour to report that Mr. Blake informs me he has no hope of succeeding in his object.

I have strongly dissuaded Minister for Foreign Affairs from entering into proposed transaction, and he confirms the above. In the event of the negotiations taking a more favourable turn, which is extremely unlikely, he has promised to communicate with me.

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No. 7.

Sir A. Nicolson to Sir Edward Grey.—(Received January 2.)(No. 3.)
(Telegraphic.) P.

St. Petersburg, January 2, 1910.

PROPOSED advance to Persia.

I am informed by M. Isvolsky that he hopes very shortly to let me have a reply in writing to the communication which I made to him. He states that Russia will be ready to contribute 100,000*l.* to the advance. They cannot put down a larger sum without obtaining the consent of the Duma, and the Government are unwilling to ask for the consent of that assembly, as such a course would probably render a debate inevitable. Moreover, for about a month from now the Duma will not be sitting.

M. Isvolsky asked whether it would not be possible to avoid mentioning the exact sums provided by each Government, so as not to reveal the fact that the sum put down by His Majesty's Government was so much larger than that contributed by Russia. He is still of opinion that consideration should be given to the question of a large loan, but the written communication which he promises may contain proposals on that point, and it would be well to await it.

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No. 8.

Sir G. Barclay to Sir Edward Grey.—(Received January 3, 1910.)(No. 220.)
Sir,

Tehran, December 17, 1909.

I HAVE the honour to transmit to you herewith copy of a weekly diary which I have received from Mr. Bill, His Majesty's acting consul at Shiraz, reporting on the recent attack by tribesmen on the caravan of M. Passek and M. Kadloubovsky on the Shiraz-Bushire road, and on the present position of Saham-ed-Dowleh, the governor-general of Fars.

Mr. Bill considers, and his opinion is shared by M. Passek, that we should urge the Persian Government to take a strong line against Soulet-ed-Dowleh, the chief of the Kashgais, whose insubordinate attitude has had the effect of weakening the authority of the governor-general.

You will have seen from my telegrams Nos. 803 and 813 of the 5th and 16th instant respectively that, although when we made representations in the sense desired by the two consuls, the Persian Government expressed their entire agreement, they have evidently thought it better to temporise with this powerful chief; and however little this course may recommend itself to Mr. Bill and M. Passek, my Russian colleague and I, as I have already reported by telegram, have thought it wiser not to press the Persian Government to take measures which, in their present condition, they apparently think imprudent.

When again making representations to the Persian Government yesterday, therefore, my Russian colleague and I instructed our dragomans merely to urge upon the Minister of the Interior the imperative necessity of taking effective and prompt measures in Fars for the purpose of restoring order in the province and opening the trade routes.

Sardar Assad declared that the governor had been given categorical instructions in this sense, and that measures were being taken by the Bakhtiaris to keep the road open and secure north of Shiraz. If the present governor of Shiraz was unable to keep the Bushire road open, he would have to be dismissed, and another and stronger man found to replace him.

I gather that Saham-ed-Dowleh is likely to be replaced at no distant date, and that there is no present intention of pressing matters with Soulet-ed-Dowleh, the Kashgai leader.

I have, &c.
G. BARCLAY.

Enclosure in No. 8.

Memorandum by Acting Consul Bill respecting Shiraz News for week ending December 1, 1909.

THE week has been a very eventful one. At 6 P.M. on the 24th a telephone message was received from the telegraph gholam at Dastarjin to the effect that the caravans accompanying the Russian consul-general had been attacked and the whole party carried off. While Mr. Bill was writing this news to the karguzar, a gholam of the Russian consulate arrived, together with a Persian Cossack from Khaneh Zinian with a pencilled note from M. Passek, and a letter from the karguzar. M. Passek stated that he had had a sharp fight with robbers, and had one Cossack killed and five men wounded. (This was a slip; the number of wounded was three.) He asked for medical assistance. After arranging with Dr. Woollatt to leave as soon as a sufficient escort should be provided, Mr. Bill went to see the governor-general and told him the news, asking at the same time that orders should be immediately issued for all the available Cossacks to accompany him and the doctor to Khaneh Zinian at once. This was at once arranged, and the Governor also telegraphed to Kazerun directing that a force of 300 tufangchis from there, 300 from Kamarij, 300 from Khist and Shabancara, and 200 soldiers of Mansur-es-Sultaneh's and the Mamasenni detachment should be collected at once to surround the robbers. The party escorting the doctor left about midnight, with the object of reaching Khaneh Zinian as soon as it should be light enough to approach the place with proper precautions. It consisted of His Majesty's consul, Dr. Woollatt, a volunteer in the person of Mr. Livingstone, twelve sowars of the consular escort, and twenty Persian Cossacks under two officers. The behaviour of the sowars through this trying and extremely cold march was excellent. At Khaneh Zinian (6,300 feet) the cold was so severe that a running rivulet outside the caravanserai was frozen over, but the men continued scouting energetically all the way. The behaviour of the Persian Cossacks also was good, but they complained a good deal of the cold and were inclined to lag a little. No sign of robbers was seen on the road, and on arrival at Khaneh Zinian it was found that they had gone apparently straight off with their booty. The caravanserai was full of pilgrims, wailing over their losses, and cursing the Persian Government and the local authorities. They surrounded Mr. Bill, begging him to get their goods back, and several asked why we did not take the road into our own hands and make it, as one traveller observed, "like Bombay."

The wounded were found able to travel, after surgical attention, and a telephone message was sent to Shiraz for "kajawahs" and everything necessary. The whole party was brought in on the 26th, the march being made with great caution and the country well scouted. No sign of robbers was seen.

The scene of the attack was a section of the road lying in the wide and stony bed of the Kara Agatch River, about 2 miles from Khaneh Zinian. The caravan was a very large one, estimated by M. Passek to contain 200 mules. There was a good deal of merchandise—chiefly carpets, tragacanth, and opium—and a large crowd of pilgrims, who had been waiting the opportunity to travel, as they thought, in safety. At the moment of the first attack the head of the caravan had nearly reached the point where the road leaves the river bed, about 4 miles from Khaneh Zinian, and the extreme rear, which was brought up by the Russian party, was just reaching the bridge, about 2 miles out. The whole of the intervening space was crowded with mules, donkeys, and travellers on foot. The first volley was fired by concealed robbers at the head of the caravan, which was guarded by Haji Khairullah, the kadkhuda of Khaneh Zinian, with fifteen tufangchis and six Persian infantry soldiers. Haji Khairullah was well known for courage, and it was the evident object of the robbers to get him out of the way at the first discharge. They were successful, for he fell at the first shot, and his tufangchis took no further part in the fighting. The next object was to cut off the Russian party in the rear and prevent them from coming to the assistance of the caravan. The robbers consequently concentrated their fire on M. Passek's party, firing on them from both sides of the river. For several minutes they were under a very hot fire and were forced to take cover under the overhanging bank of the actual watercourse of the Kara Agatch. Abandoning the road, they worked their way gradually back to Khaneh Zinian, under fire all the time. Two horses were killed on the road, and one man killed and one wounded as they were descending into the river.

At the time of the first attack a pilgrim said, in the hearing of the Russian consulate gholam, that he saw Mohamed Ali Khan Kashguli.

The four Persian Cossacks fell back on the Russian party fighting bravely; two of them were wounded close by the bridge.

The Cossacks were sent out after everything became quiet and brought in the dead body. No satisfactory evidence of the perpetrators was obtainable in Khaneh Zinian. The villagers declared unanimously that the robbers were Boir Ahmadi, but this is discounted by the fact that this tribe is a distant one, and the tribe itself is of much less importance than the Kashgai. The governor-general's opinion is that the robbers came from various tribes, including the Kashguli.

The force summoned by the governor-general amounted at the end of the week to about 200 men and one gun, collected at Mian Khotal, and urgently demanding money and instructions. One body, from Kamarij, was starting when they had to divert their attention to one of their own villages, which was attacked by Kashgai. Latest news states that their leader, Mullah Khursid, is besieged by Kashgai in Kamarij. In any case, there can be no doubt that if Soulet-ed-Dowleh did not actively instigate the affair, it had his sympathy and support owing to the friendship of Nasr-ed-Dowleh with the Russians.

The body of the Russian Cossack was buried on the 27th at the Armenian church with full military honours. M. Passek entrusted the organisation of the procession to Lieutenant Lang, R.N., who made admirable arrangements. The whole of the British detachment formed an escort round the gun carriage, and the whole Persian garrison was in attendance. The coffin was carried through the narrow street by British marines and Russian Cossacks, and the firing party over the grave consisted of three marines, five Russian Cossacks, and four Persian Cossacks, the whole under the British sergeant. The governor-general accompanied the cortège half-way to the church, a proceeding by which he has incurred some odium among the more fanatical portion of the population, and the karguzar was present throughout the ceremony. The Russian consul-general entertained the native troops of the British detachment on their return from the ceremony, and the Cossacks entertained the marines on the following day, the marines returning the compliment at the consulate on the 1st.

Two attempts to disturb the peace of the town were made during the week. On the 27th the pilgrims robbed in the Russian caravan came in a crowd to the Government House and obstructed the governor-general, who was starting for the funeral of the Russian Cossack. They surrounded his Excellency, demanding the return of their goods, and asking why he accepted the post if he was not able to carry out his duties. Eventually they abused him in most improper terms, and an attempt to raise a riot seems to have been made, the crowds running through the streets near the Ark with cries of "Ya Ali," &c. There was no great response, and the crowd gradually dispersed.

On the same evening a crowd came to the palace accompanying the body of a man who had just been shot near the Kazerun Gate. They declared that he was shot improperly by a policeman. The enquiry was postponed to the following day. Next morning a large armed crowd gradually collected round the body, which was in the inner courtyard, near the governor-general's private apartments. They loudly demanded the immediate execution of the alleged culprit. The governor-general replied that he could execute no man without proof, and referred them to the Shara Court. They refused to take the order, and a scene of great confusion ensued during which, after several shots had been fired, the governor escaped from the palace. The karguzar and Nasr-ed-Dowleh went on foot to the latter's quarter to collect men. After a short interval, during which the governor-general's private apartments were plundered by the mob, Saham-ed-Dowleh re-entered the palace, a few shots were fired into the air by the Cossacks from a tower commanding the courtyard, and the whole crowd bolted like rabbits, even abandoning the corpse.

His Majesty's consul, on the sound of firing, went to the Russian consulate and discussed the situation with M. Passek, with special reference to the safety of Russian subjects in the town. M. Kadloubovsky had already left to investigate the position, and Mr. Bill followed him, accompanied by Lieutenant Lang. He found everything at the Government House perfectly normal and the governor-general just finishing lunch. He made light of the whole affair, declaring that he could have put an end to the whole business whenever he pleased, as he had the Cossacks within call, but that he saw that the object of the affair was to make him fire on the crowd and give a pretext for a general riot. This is very probably true, but there can be no doubt a volley fired in the air, as soon as the crowd assumed a threatening attitude, would have dispersed

them without trouble and without the heavy loss of prestige which the governor-general has undoubtedly suffered. For the moment the affair is in abeyance apparently because Nasr-ed-Dowleh has warned the relatives of the deceased not to lend themselves to agitators, and has backed his warning with money and threats. But the affair has clearly demonstrated the helplessness of the present administration. There was a prolonged discussion on the situation between the governor-general and Muvakkard Dowleh in Mr. Bill's presence, as a result of which a strong telegram to Tehran was drafted which Mr. Bill took to the English office himself.

On the 30th, after a prolonged consultation with M. Passek, Mr. Bill and M. Kadloubovsky asked the governor for a private unofficial conversation on the situation. They saw the governor-general at first quite alone, and afterwards in the presence of Muvakkard Dowleh. Mr. Bill, speaking for both consulates, complained that in view of the dangerous position of affairs they were naturally anxious about the safety of their subjects and the security of the trade route. They were convinced that at the present moment the only possible hope for order in Fars was in the retention of powers by Saham-ed-Dowleh and the provision for him of adequate force. They, consequently, requested him in a friendly way to explain to them quite frankly how matters stood, and they ventured to recommend—

(a.) That the detachment of Cossacks at present scattered in parties of five and ten in various parts of the province should be collected in Shiraz for the security of his person, and the tranquillity of the town; and

(b.) That in the place of the present useless regiments, one battalion should be raised and placed under the command of the Cossack Amir Panj, for training and discipline.

Meanwhile, they were prepared to send a joint telegram to Tehran, in support of whatever demands the governor-general might make which should appear to them reasonable. In all this their action was purely unofficial and they requested his Excellency to take note that as long as circumstances were comparatively normal, they had refrained from even discussing internal affairs with him, and as soon as things should return to their normal course they would naturally confine themselves to their proper sphere. In reply, the governor-general made a little speech, expressing his gratitude to the two representatives for their consistent support. He then showed them the reply received from the Ministers of War and the Interior to his telegram of the 28th. It was, as he said, profoundly unsatisfactory, and contained nothing but vague promises. That telegram, he said, showed that he could expect no help from headquarters. Locally, he was working day and night, was making nothing for himself, and was risking his reputation in a hopeless task. He was, consequently, determined to resign, and he asked the consuls whether they would not do the same in his place. He declared that Soulet-ed-Dowleh's attitude was nothing new, and was part of the general conspiracy against Sardar Assad, in which Zeigham-es-Sultaneh, Bakhtiari, and several others of the Sardar's enemies had taken part. He was sure Soulet would never co-operate loyally as long as Sardar Assad remained in power, and, consequently, the Central Government must either give him force enough to coerce Soulet, or accept his resignation. After consultation with M. Kadloubovsky, Mr. Bill replied that he could not contest his Excellency's argument, but it was possible that the position was still not thoroughly understood in Tehran, and he hoped that his Excellency would postpone his decision to resign until one more effort had been made. He asked for the minimum conditions on which his Excellency would consent to remain in office. The substance of the reply is contained in our joint telegram of the 2nd.

It is clear that this is an exceptional crisis in the affairs of Southern Persia. Saham-ed-Dowleh is a most exceptional man, and has done wonders with no force at all. Naturally, the experiment is now failing, and no one could hope to do as much in his place, especially as no one could hope to receive satisfactory support from the Central Government.

The local members of the Persian Parliament left with considerable ceremony for Tehran on the 29th.

One man was led through the bazars with a string through his nose on the same date.

On the same date a telegram from the mullahs of Nejef to the Parliament was publicly read, by which Mullah Gurban Ali of Zinjan is formally outlawed, and his blood made lawful to all Mussulmans. Another telegram was read at the same time from the Minister of the Interior announcing an approaching census.

J. H. BILL, I.C.S.

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No. 9.

Sir A. Nicolson to Sir Edward Grey.—(Received January 3, 1910.)

(No. 676.)

Sir,

St. Petersburg, December 27, 1909.
 I CALLED on M. Isvolsky yesterday afternoon and explained to him that His Majesty's Government were not disposed to join in making a loan of a considerable amount to Persia at the present moment, and that the most urgent question was to provide the Persian Government with sufficient funds to enable them to introduce some order into the administration and to re-establish their authority. I said that I had consigned in a private letter, which I handed to him, and of which I have the honour to transmit a copy, certain considerations which would, I trusted, show how necessary it was to furnish a joint advance of 400,000*l.* without delay to the Persian Government.

M. Isvolsky read my letter, and said that he feared that he would have difficulty in persuading the Finance Minister to grant 200,000*l.* He himself was sceptical as to whether the advance would lead to any material improvement, but that he was desirous of maintaining unity of action between the two Governments. I went over most of the arguments which I had used on previous occasions and which it is unnecessary to record. M. Isvolsky finally said that he would consult with M. Kokovtsoff and let me know the results of his conversation.

I have, &c.

A. NICOLSON.

Enclosure in No. 9.

Sir A. Nicolson to M. Isvolsky.

Mon cher Ministre,

Saint-Pétersbourg, le 13 (26) décembre, 1909.

MON Gouvernement est d'avis qu'il serait prématûr de penser à la conclusion d'un emprunt sérieux au Gouvernement persan, et il n'est pas disposé d'y prendre part. Du reste, un emprunt, pour ce qui nous concerne, devrait nécessairement être émis sur le marché à Londres—une affaire qui ne pourrait être réglée que dans un assez long délai—and il me semble, vu l'état financier de la Perse et la situation intérieure, qu'il serait même difficile d'acquérir au moment actuel un bon accueil parmi le public pour un tel emprunt. La condition primordiale est de fournir au Gouvernement persan quelques moyens pour mettre un peu d'ordre dans le pays et de lui permettre d'organiser une force pour rétablir son autorité. Si le Gouvernement est obligé de continuer à vivre de jour en jour et de mener une vie précaire, un état d'anarchie s'ensuivrait, qui pourrait forcer les deux Gouvernements d'intervenir sur une échelle assez considérable, et qui leur coûterait beaucoup plus qu'une avance de 200,000*l.* chacun, sans prendre en considération d'autres conséquences très graves. L'avance de 400,000*l.* de la part des deux Gouvernements ne serait accordée que dans certaines conditions, et comme garanties il y a les revenus nets provenant des télégraphes et des passeports, ou même du bénéfice de la frappe d'argent, qui monte à environ 5,000*l.* par mois. Les deux Ministres à Téhéran, avec leurs conseillers experts en matière de finance, seront à même d'indiquer les garanties qui leur sembleront les plus aptes.

Une avance de 10,000,000 de francs répartie entre les deux Gouvernements est au fond peu de chose et pourrait être versée sans délai, tandis qu'un emprunt considérable nécessiterait de longues négociations. La question, à notre avis, est urgente, et nous serions très heureux si le Gouvernement Impérial voulait bien désister du projet d'un emprunt considérable, qui n'est à nos yeux ni opportun ni nécessaire pour le moment, et se joindre à nous pour l'avance relativement modeste qui porterait des remèdes à la situation actuelle en Perse.

Votre, &c.

A. NICOLSON

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No. 10.

Mr. Marling to Sir Edward Grey.—(Received January 3, 1910.)

(No. 995.)

Sir,

Constantinople, December 27, 1909.

I CALLED on the Russian Ambassador on the 24th instant, and, after informing him of the substance of your telegram No. 711 of the 23rd instant, asked his Excellency what steps he proposed to take in the direction of offering mediation in the Turco-Persian frontier question. M. Tcharikoff said he had received from St. Petersburg information somewhat similar to my own, but that he understood that the mention made by Turkhan Pasha of mediation was extremely vague and could not without violence be twisted into even a suggestion that mediation would be acceptable. In the circumstances, therefore, and so long as Tewfik Pasha should make no mention of it to you, Sir, he was of opinion that it was inopportune to take any action here. His Excellency went on to say that, from a long conversation he had had with the Persian Ambassador quite recently, he had gathered that there was a fair prospect of the two Governments agreeing to send a joint commission to delimit the frontier, and he had been specially impressed with Arfa-ed-Dowleh's suggestion that the commissioners might be accompanied by deputies from the Persian and Ottoman Parliaments to act as a sort of board of arbitration (see my despatch No. 996 of to-day). Advertising to the conditions mentioned in your telegram above referred to, that, as a preliminary to our mediation, we should require the Porte to withdraw its troops from what is incontestably Persian territory, M. Tcharikoff stated his conviction that the Turks would never agree to such a stipulation, and it therefore appeared to him that we should be placing ourselves in a very ambiguous position if we first insisted on seeing an invitation to mediate where none had been given, and then accepted it, but on conditions which we knew would be rejected. He had telegraphed these views to his Government and would inform me of M. Isvolsky's reply, which would probably contain more precise instructions.

I told M. Tcharikoff that, while I agreed with him that the Turks would almost certainly reject mediation on the conditions suggested, I could not take his sanguine view that any result would ensue from negotiations conducted by Turks and Persians alone. I thought, however, that any communication to the Porte, on whatever peg it might be hung, would be of use, as showing that Great Britain and Russia took an interest in the settlement of this quarrel. Otherwise the Turks would continue their present conduct, and might even seize the opportunity of the joint operations against the Hamavends in the neighbourhood of Mosul to occupy territory in those regions also.

On Sunday evening I received a short note from M. Tcharikoff saying that he had received instructions from M. Isvolsky to take action here, but that, as he had to leave Constantinople the following morning for a few days to escort the remains of the Grand Duke Michael through the Straits, nothing could be done till Thursday. He did not tell me what was the nature of his instructions.

(Confidential.)

M. Tcharikoff is, I am sure, genuinely convinced that the tentative to induce the Turkish Government to invite our mediation which M. Isvolsky desires should be made will not be favourably received here, and for that reason alone he is averse from making representations as suggested; but I think that he is probably even more influenced by the consideration that if he is obliged to take any such step it may eventually lead to his having to recommend recourse to mediation with a degree of insistence which the Porte could not pretend to ignore, and which would go far to rendering nugatory the laborious endeavours which since his arrival he has been constantly making to win the confidence of the Committee of Union and Progress party.

I have, &c.

CHARLES M. MARLING.

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No. 11.

Mr. Marling to Sir Edward Grey.—(Received January 3, 1910.)(No. 996.)
Sir,

THE Persian Ambassador gave me an account to-day of what has passed between himself and the Porte in regard to the recent frontier incidents. He said that there were three special points on which he had had to make representations, viz., the attempt of the Turkish military authorities at Passveh to erect a telegraph wire connecting that post with the Turkish telegraph system, the occupation of Mari-deh, the chef-lieu of Solduz, which resulted from the telegraph question, and, lastly, the killing by Turkish soldiers of six Persian subjects from Anhaz, who had been trying to recover some sheep from Kurdish raiders. When he had first addressed the Porte on the subject his representations had been met in a friendly spirit, and he had received an official note from the Minister for Foreign Affairs promising satisfaction on all points, and stating that the requisite instructions had been sent to the Vali of Van. His Highness, however, soon learnt that if they were ever sent these orders were not being carried out, and subsequently he received another note in which Rifaat Pasha attempted to justify the action of the Turkish local authorities in every respect. The Turks, the note stated, were perfectly warranted in erecting a telegraph wire to Passveh, as the Persians were doing the same between Saoujboulak and Miandoab. They were equally justified in occupying Mari-deh, as the whole of Solduz was Turkish territory, while as for the six Persians who had been killed, they were brigands and deserved their fate. Arfa-ed-Dowleh at once called on Rifaat Pasha and reproached him bitterly with the unfriendly and aggressive attitude of the Turkish Government; very strong language was used on both sides, but after a good deal of mutual recrimination, the possibility of a definite delimitation of the frontier by negotiation was discussed. On both sides it seems to have been tacitly agreed that no conclusion would be reached if Persian and Turkish commissioners were left to themselves, as neither would accept the smallest responsibility without direct instructions from their Governments, but when Arfa-ed-Dowleh mooted Anglo-Russian mediation Rifaat Pasha scouted the idea, and he therefore suggested that a kind of Board of Arbitration to accompany the joint commission might be formed of three members from the Turkish Chamber and three deputies from the Persian Medjlis. Rifaat Pasha had seemed prepared to take this proposal into consideration, but as it was made by Arfa-ed-Dowleh without any authority from Tehran, it cannot yet be looked upon as an official basis for discussion. I doubt personally whether, if adopted, it would have any practical results.

Since this interview matters had gone from bad to worse. The general staff had appointed Major Djémil Bey, who was for some years attached as a secretary to the Turkish Embassy in Tehran, as their adviser in questions relating to the Persian frontier. Djémil Bey was constantly publishing articles in the press representing the Persians as the aggressors and denouncing as irreligious the idea of two infidel Powers mediating between Moslem nations, and so long as the Ottoman Government took its cue from such a personage it was hopeless to expect any reasonable solution. In fact, the position had become so intolerable that he, Arfa-ed-Dowleh, had telegraphed to Tehran tendering his resignation, and requesting that his successor might be appointed at once.

I knew Djémil Bey well when I was at Tehran, and he used to boast openly that the Turks intended to grab a good slice of Persian territory, and it is impossible to imagine a more unfortunate choice of an adviser if the Porte really means to come to an amicable and reasonable settlement.

I have, &c.

CHARLES M. MARLING.

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No. 12.

Sir A. Nicolson to Sir Edward Grey.—(Received January 3, 1910.)(No. 680.)
Sir,

St. Petersburg, December 28, 1909.

I MENTIONED to M. Isvolsky that I had gathered from a telegram which I had received from my Government that he was under the impression that the Sublime

Porte would not be unwilling to accept mediation in the question of the Turco-Persian frontier; and I asked him if Turkhan Pasha had gone so far as to intimate such a solution, as the Ottoman Government had not approached my Government on the subject. M. Isvolsky said that he thought that he had spoken to me on the matter, but that he was evidently mistaken. He sent for the communication from Turkhan Pasha and read it to me. I observed that I could not perceive that it suggested any mediation. The communication was practically the same as that communicated by Tewfik Pasha to you on the 9th December. M. Isvolsky said that on second thoughts he agreed with me, but he had considered at the time that perhaps it might afford an opening to suggest mediation. On the whole perhaps it would be best to drop all mention of mediation, and limit any communications at Constantinople to requesting the withdrawal of Turkish troops from Soldouz, which was undoubtedly in Persian territory. I said that Mr. Marling had instructions to consult with the Russian Ambassador as to any representations at Constantinople.

The two representatives evidently consider, according to information received since my interview with M. Isvolsky, that it would be of no avail to move the Sublime Porte in the sense indicated, and presumably M. Isvolsky will not therefore press the matter. I do not quite know why he assumed that Turkey had shown any desire for mediation, and when he had re-read the communication of Turkhan Pasha he seemed to be equally puzzled why he had placed any such construction on the terms of the communication.

I have, &c.

A. NICOLSON.

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No. 13.

Sir G. Barclay to Sir Edward Grey.—(Received January 3.)

(No. 4.)

(Telegraphic.) P.

Tehran, January 3, 1910.

ADVANCE to Persian Government.

Please refer to Sir A. Nicolson's telegram No. 3 of the 2nd January.

Loan will, I concur, be necessary to extinguish floating debt, but the question is subordinate to the urgent need for an advance.

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No. 14.

Sir Edward Grey to Sir A. Nicolson.

(No. 1.)

(Telegraphic.) P.

Foreign Office, January 3, 1910.

SIR G. BARCLAY'S telegram No. 1 of the 1st January. Situation in Fars.

Reluctant as we should be to resort to such a step, we fear that it may prove impossible to avoid the dispatch of a punitive expedition unless a moderately large advance can be made immediately to the Persian Government. You should therefore acquaint M. Isvolsky with the substance of Sir G. Barclay's telegram, and inform him that His Majesty's Government hope, on the above grounds, that their proposals with regard to the loan will meet with no further opposition from Russian Government.

[47086]

No. 15.

Foreign Office to India Office.

Sir,

WITH reference to Foreign Office letter of the 22nd November, 1909, relative to the proposed formation of a body of guards for the protection of trade on the Bushire-Ispahan road, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a letter from the Board of Trade,* to whom that suggestion was submitted, giving their views regarding it and regarding the manner in which it is contemplated that the cost involved in the application of the scheme should be met.

I am also to transmit to you copy of the reply which Sir E. Grey has caused to be

* Board of Trade, December 28, 1909.

returned to the Board's communication,^o in view of the considerations set forth by His Majesty's Minister at Tehran in his telegram No. 820 of the 26th ultimo.[†]

Viscount Morley will perceive, from the instructions sent to His Majesty's Ambassador at St. Petersburg,[‡] that Sir E. Grey concurs in the view expressed by Sir G. Barclay.

I am, &c.
LOUIS MALLET.

[47086]

No. 16.

Foreign Office to Board of Trade.

Sir,
I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 28th ultimo, containing the views of the Board of Trade on the proposed formation of a body of guards for the protection of trade on the Bushire-Isfahan road, and in the manner in which it is contemplated that the expense involved in their maintenance should be met.

I am to inform you that since this proposal was initiated the question has arisen of a small advance to the Persian Government to be made jointly by His Majesty's and the Russian Governments.

This advance would only be made on certain conditions, one of which would be the formation throughout the whole of Persia of an efficient gendarmerie under foreign instructors.

It is feared that, if His Majesty's Government were to insist that these instructors should be of British nationality, so far as the British sphere of influence is concerned, the Russian Government, on their side, would equally insist that those in the Russian sphere should be Russian, a demand which, owing to the distrust and dislike of Russia universally felt in Persia, would probably suffice to destroy all prospect of agreement on the subject of the advance, and thus make the restoration of order in the country impossible.

I am to transmit to you herewith, for the information of the Board of Trade, a paraphrase of a telegram from His Majesty's Minister at Tehran,[§] enquiring whether, in view of these considerations, the proposal to institute guards on the Bushire-Isfahan road could not be held in abeyance, as well as paraphrase of instructions sent to His Majesty's Ambassador at St. Petersburg to make a suggestion in that sense to the Russian Government.^{||}

I am, &c.
LOUIS MALLET.

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No. 17.

India Office to Foreign Office.—(Received January 4.)

Sir,
WITH reference to your letter dated the 23rd December, 1909, forwarding copy of correspondence with the Anglo-Persian Oil Company as to the employment of an officer for the proposed topographical survey in Western Persia, I am directed to enclose copy of telegraphic correspondence with the Government of India on the subject.

I am to explain that Viscount Morley's telegram of the 31st December, 1909, was prepared at the instance of the company, to whom a copy of the Viceroy's telegram of the 29th December had been informally communicated. It was understood that the Foreign Office had no objection to this course, which was adopted in order to save time.

I am, &c.
R. RITCHIE.

* No. 16.

[†] Sir G. Barclay, No. 820, Telegraphic, December 26, 1909.

[‡] To Sir A. Nicolson, No. 1371, Telegraphic, December 28, 1909.

[§] Sir G. Barclay, No. 820, Telegraphic, December 26, 1909.

^{||} To Sir A. Nicolson, No. 1371, Telegraphic, December 28, 1909.

Enclosure 1 in No. 17.

Viscount Morley to Government of India.

(Telegraphic.) P.

India Office, December 17, 1909.

REFERENCE is invited to your telegram dated the 1st December. A younger man would have been preferred by Anglo-Persian Oil Company, but they enquire whether Mr. G. P. Tate would be willing to undertake work at once, bringing small Indian establishment, on salary 800 rupees a-month. He knows Persia and is understood to be retiring. Carriage and tents will be supplied by company.

Triangulation on 2-inch or 1-inch scale only, as may be settled with Tate, will suffice for survey at present required.

Enclosure 2 in No. 17.

*Government of India to Viscount Morley.**December 29, 1909.*

(Telegraphic.) P.

YOUR telegram dated the 17th December, 1909, as to Oil Company survey. Tate's present pay amounts to 1,000 rupees, and he declines to accept terms offered. Please say if we may engage Scott on terms which our telegram dated the 1st December mentioned.

Enclosure 3 in No. 17.

Viscount Morley to Government of India.

(Telegraphic.) P.

India Office, December 31, 1909.

OIL Company survey. Please refer to your telegram dated the 29th instant. Engagement of Scott at 1,000 rupees per mensem is agreed to by company; travelling expenses in field will not be given, as all tents and transport are provided by company. Young, European surveyor, now in Persia, will be attached to the party by company for purpose of filling in topography under supervision of Scott. Scott should therefore take smallest possible native establishment. Important that Scott should proceed to Persia at once if he accepts.

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No. 18.

Anglo-Persian Oil Company to Foreign Office.—(Received January 4.)

Winchester House, Old Broad Street, London,
January 3, 1910.

Sir,

I HAVE the honour to acknowledge receipt of your letter of the 31st ultimo, and to thank you for the information contained therein.

Should you receive any further communication from Sir George Barclay in connection with this matter, I shall be glad if you will let me have the earliest possible advice, as a meeting of my board has been called for the 7th instant to consider the question.

I have, &c.
C. GREENWAY, Director.

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No. 19.

Sir G. Barclay to Sir Edward Grey.—(Received January 4.)

(No. 5.)

(Telegraphic.) R.

Tehran, January 4, 1910.

MY telegram No. 823 of 31st December and Sir A. Nicolson's telegram No. 2 of 1st January.

Minister of the Interior tells me that Rahim Khan is trying to come to terms with the Government, but they intend to capture him.

St. Petersburg informed.

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No. 20.

Sir Edward Grey to Sir G. Barclay.

(No. 4.)

(Telegraphic.) P.

CONSULAR guard at Bunder Abbas.

The news contained in your telegram No. 2 of the 2nd January is disquieting. Does the proposed reinforcement of the consular guard appear to you sufficient in view of the presence of 300 Afghans in the town, and the possibility of an attack, or, if there is a ship available, would you consider it advisable to hold it in readiness to land men? Is it possible to rely on Persian troops for the protection of the consulate? Are there any in the town?

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No. 21.

Sir Edward Grey to Sir A. Nicolson.

(No. 3.)

(Telegraphic.) P.

Foreign Office, January 5, 1910.

ADVANCE to the Persian Government. Please refer to your telegram No. 3 of the 2nd January.

We hope that it may still be possible to induce the Russian Government to advance 200,000*l.* on the grounds mentioned in my telegram No. 1 of the 3rd January. Their desire not to give more than 100,000*l.* has much disappointed us.

Whether M. Isvolsky would be assisted by further pressure from us, or whether we should not continue to urge the matter on him, is a question which it will be best for you to decide. Though His Majesty's Government would certainly not disclose unnecessarily the fact that they had contributed a sum to the advance twice as large as the Russian Government, it will probably prove impossible to conceal the truth, the knowledge of which would undoubtedly produce an undesirable effect. You should point this out to M. Isvolsky.

A solution which might be suggested in the last resort in order to avoid this would be for the two Governments to make an immediate joint advance of 200,000*l.*, and a second advance of the same amount a month later.

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No. 22.

Sir Edward Grey to Sir A. Nicolson.

(No. 5.)

(Telegraphic.) R.

Foreign Office, January 5, 1910.

SIR G. BARCLAY'S telegram No. 2 of the 2nd January: Consular guard at Bunder Abbas.

You should inform the Russian Government of proposed temporary increase, and of reasons for it. Afghans are engaged in gun-running.

(Repeated to Tehran, No. 3.)

[47274]

No. 23.

Foreign Office to India Office.

Sir,

WITH reference to your letter of the 13th ultimo relative to the retention for a further period of the Indian guard stationed in the neighbourhood of Ahwaz, I am directed by Secretary Sir Edward Grey to inform you that on the 21st ultimo he caused a communication to be addressed to the Treasury expressing the hope that the Lords Commissioners might see their way to sanction the charge on Imperial revenues of half the additional expense incurred in replacing the horses, saddlery, &c., lent by the 18th Prince of Wales's Own Tiwana Lancers for the use of the eight cavalrymen who accompanied the force.

I am to transmit to you herewith copy of the reply returned to this communication

conveying the sanction of their Lordships to the proposed arrangement,* and I am to request that Viscount Morley's attention may be called to the last paragraph of the letter stating the conditions on which alone that sanction is given.

I am to add that a copy of the letter from this Department to the Treasury of the 15th November, to which reference is made, was forwarded to the India Office on the same date.

I am, &c.
LOUIS MALLET.

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No. 24.

Foreign Office to India Office.

Foreign Office, January 5, 1910.

Sir,

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copies of a telegram from His Majesty's Minister at Tehran, discussing the steps which might be taken to put an end to the disturbed situation in Fars,† and of a telegram to His Majesty's Ambassador at St. Petersburg,‡ instructing his Excellency to urge the Russian Government to withdraw their opposition to the proposed joint advance to the Persian Government in order to enable the latter to take measures for the restoration of order in those regions, and thus relieve His Majesty's Government of the possible necessity of active intervention.

I am to request that, in view of the situation which has arisen, the attention of the Government of India may once more be called to the fact that the dispatch of an expeditionary force to Southern Persia may be called for in the near future as the only means of preserving the lives and property of foreign subjects there, and of preventing the total extinction of British and Indian trade in the Persian Gulf.

I am, &c.
LOUIS MALLET.

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No. 25.

Foreign Office to Anglo-Persian Oil Company.

Foreign Office, January 5, 1910.

Sir,

IN continuation of my letter of the 31st ultimo relative to the desire of a British financier to acquire the interest of the Persian Government in the so-called "D'Arcy oil concession," I am directed by Secretary Sir Edward Grey to inform you that he has received a telegram from His Majesty's Minister at Tehran reporting that Mr. Maurice Blake, the agent employed by the financier in question to negotiate the transaction, has stated that he has no chance of success.

The Persian Minister for Foreign Affairs has expressed to Sir G. Barclay a similar opinion, but has promised to inform him should the negotiations take a more favourable turn, which, however, is a most improbable event.

Sir G. Barclay adds that he has strongly dissuaded the Minister from concluding this transaction.

I am, &c.
LOUIS MALLET.

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No. 26.

Sir A. Nicolson to Sir Edward Grey.—(Received January 6.)

(No. 4.)

(Telegraphic.) R.

St. Petersburg, January 6, 1910.

PERSIAN advance.

I have received memorandum from Russian Government in regard to above subject. They do not refuse in principle to participate in an advance, though they are convinced that an advance of even 400,000*l.* will not lead to an effective improvement of the situation, and will be speedily exhausted. They consider that an advance

should be made in close connection with a more considerable loan, as the latter can alone provide necessary funds for the introduction of urgent reforms and for extinction or conversion of floating debts, which are so burdensome to the Persian Treasury. In accordance with the views of M. Naus and of M. Bizot, the Russian Government believe that the Persian Government, once freed from floating debts, could contract a loan of 3,000,000*l.*, for which surplus customs revenues would be sufficient to guarantee interest. They do not propose to place any portion of the loan on Russian market, but they consider necessary funds could be found in France if Russia and England guaranteed regular payment of revenues affected to the service of the loan. Memorandum draws attention to article 5 of Anglo-Russian convention, and intimates that Russia and England could promise to apply in case of necessity the measures of control therein stipulated in favour of the banks who undertook loan. As negotiations for a loan would take a long time, it is clearly necessary to take question in hand without delay. Furthermore, Russian Government draws attention to the fact that it will only be by means of negotiating a large loan that Russia and England will be in a position to insist on the institution of an effective financial control, and to ensure satisfactory solution of certain questions, such as preferential rights as regards railway concessions.

As to an advance on loan, Russian Government point out that last spring they placed in Russian bank their share of advance projected. That sum, namely, 100,000*l.*, is still available, and the Russian Government would be ready to advance it; but it would be very difficult for them to go beyond that sum, as they would in that case have to obtain legislative sanction. A control of expenditure of advance is indispensable, and they think control should be confided to a special financial commission, on the lines laid down in Russian memorandum of 26th March, 1909 (o.s.).

I will send a copy of memorandum, of which above is a summary, by post to-night.

[652] No. 27.

Sir A. Nicolson to Sir Edward Grey.—(Received January 6.)

(No. 5.) (Telegraphic.) P.

St. Petersburg, January 6, 1910.

AS the duties which it is proposed to give to Mr. New (see Sir G. Barclay's telegram No. 822) would not seem to be the same as those which the Russian Government formally objected to being confided to a British or Russian official, would you wish me to ascertain the views of M. Isvolsky as to his loan to the Persian Telegraphic Administration.

[656] No. 28.

Sir A. Nicolson to Sir Edward Grey.—(Received January 6.)

(No. 6.) (Telegraphic.) P.

St. Petersburg, January 6, 1910.

PROPOSED advance to Persia.

Your telegram No. 3 of the 5th January. In a conversation which I had with M. Isvolsky this afternoon I dwelt on the urgency of making the advance without delay, and explained that if the contributions of the two Governments were unequal it would be impossible to conceal the fact. I said that you agreed with him as to the bad effect which would be produced when it became known that the shares were unequal. I saw that this impressed M. Isvolsky, and so I suggested that a joint advance of 200,000*l.* might be made at once by the two Governments, and that a month later a similar sum might be furnished jointly. To this his Excellency replied with his old objection that he did not know where he could raise the additional sum that would be required. I observed that my suggestion would leave him and the Finance Minister a month in which to find a solution of that problem, and that it would no doubt be possible to make some banking arrangement. I will write privately to him on the subject so that my letter could serve as a basis for his appealing once more to the Minister of Finance.

I had already communicated to M. Isvolsky a memorandum based on Sir G. Barclay's telegram No. 1, and in our conversation to-day his Excellency remarked that it was not clear to him what the connection was between our making a money advance and the possibility of our having to intervene actively in Persian affairs. I explained

to him how closely connected the two questions were. He replied by stating that it was his conviction that the re-establishment of order could never be brought about by a Persian force. To this I replied that it would be but fair to give the Persians a trial, and that, in the event of their failure, we should not have to reproach ourselves with having abstained from affording them the means of making the attempt.

M. Isvolsky then observed that the news of the defeat of Rahim Khan's forces had not been positively confirmed. The telegraphic agency had, in fact, just received a telegram to the effect that Ephrem had fallen back to Serab.

I will continue to press M. Isvolsky, but his Excellency was so preoccupied to-day with other matters that our conversation was rather of a hurried nature.

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No. 29.

Sir A. Nicolson to Sir Edward Grey.—(Received January 6.)

(No. 7.) (Telegraphic.) P.

St. Petersburg, January 6, 1910.

INCREASE of consular guard at Bunder Abbas.

Your telegram No. 5 of the 5th January.

In conversation with M. Isvolsky to-day, I explained our reasons for temporarily increasing our Bunder Abbas consular guard. M. Isvolsky's view seemed to be that in the circumstances our action was quite natural.

[664]

No. 30.

Sir A. Nicolson to Sir Edward Grey.—(Received January 7.)

(No. 4.) Sir,

St. Petersburg, January 4, 1910.

THE following official communiqué has appeared in this morning's papers:—

“The Russian and foreign press have often alluded recently to certain reports which Colonel Liakhoff, the former Commandant of the Persian Cossack Brigade, is alleged to have addressed in 1908 to the chief of the staff in the Caucasus relative to political events in Persia. The text of these reports, which Professor Browne of Cambridge University considers he has procured, has been published, among others, by the Persian newspaper, the ‘Habul-ul-Matine,’ issued in India, and portions of it by the German journal ‘Vorwärts.’

“On enquiry being made, it appears that Colonel Liakhoff never addressed such reports to his chiefs, which proves that the documents published by the above-named papers are pure invention.”

I have, &c.

A. NICOLSON.

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No. 31.

India Office to Foreign Office.—(Received January 7.)

Sir,

India Office, January 6, 1910.

IN reply to your letter dated the 1st January, 1910, I am directed to say that Viscount Morley concurs in the proposal of Secretary Sir E. Grey to instruct His Majesty's Ambassador at St. Petersburg to express to the Russian Government the hope that they will consent to the arrangement under which an officer of the Indo-European Telegraph Department (Mr. G. E. New) would be lent to the Persian Government for six months, to assist in the reorganisation of the Persian telegraph administration.

I am, &c.

R. RITCHIE.

[754]

No. 32.

India Office to Foreign Office.—(Received January 7.)

Sir,

WITH reference to the telegram No. 2, dated the 2nd January, 1910, of His Majesty's Minister at Tehran to the Secretary of State for Foreign Affairs, as to the temporary increase of the consular guard at Bunder Abbas to one native officer and thirty men, I am directed by the Secretary of State for India to enclose copy of a telegram from the Government of India proposing the immediate relief of the present detachment, a sepoy of which is implicated in the abetment of the import of arms into India, and the temporary maintenance of the strength of the detachment at the numbers above mentioned.

Viscount Morley is of opinion that the immediate relief of the present detachment is, in the circumstances, a wise precaution, and that the temporary maintenance of a detachment of thirty men under a native officer is fully warranted by the large number of Afghans in the vicinity of Bunder Abbas.

Subject to the concurrence of Secretary Sir E. Grey, Lord Morley proposes to approve the proposals of the Government of India.

I am, &c.
R. RITCHIE.

Enclosure in No. 32.

Government of India to Viscount Morley.

(Telegraphic.) P.

A SEPOY of the Bunder Abbas escort is reported by Resident, Persian Gulf, to be implicated in abetting the importation into India of arms. Resident recommends that present detachment should be at once relieved, and strength raised to thirty men under native officer, as a temporary measure. I propose immediate adoption of Resident's suggestion, in view of fact that ship cannot be spared for periodical visit to Bunder Abbas without detriment to blockade, and that there were 333 Afghans at the port on the 29th ultimo. When the Afghans have left, escort will be reduced to present strength. Very early approval is solicited.

(Repeated to Minister, Tehran, and Resident, Persian Gulf.)

[734]

No. 33.

Board of Trade to Foreign Office.—(Received January 7.)

Sir,

WITH reference to my letter of the 28th December and to previous correspondence on the subject of the provision of road-guards in Southern Persia, I am directed by the Board of Trade to transmit to you herewith, for the information of the Secretary of State for Foreign Affairs, copy of a letter which they have received from Messrs. P. Ziegler and Co. and Messrs. H. C. Dixon and Co.

I am, &c.
GEO. J. STANLEY.

Enclosure in No. 33.

Messrs. Ziegler and Co. and Messrs. Dixon and Co. to the Board of Trade.

Sir,

WITH reference to Mr. Hooper's visit, the undersigned have heard with much satisfaction that serious proposals are now being discussed between the Persian Government and His Majesty's Government for the formation of an efficient patrol for the Bushire-Ispahan road; they hereby express their willingness to submit to a surtax of 10 per cent. on the present duties for a period of three years on the understanding that the revenue so raised shall be under the control of, and administered by,

December 29, 1909.

His Majesty's resident and consul-general in Bushire, and be used solely for the purpose of maintaining order on this road; and the surtax shall be removed as soon as its object of securing safety and order has been achieved.

We would further direct the attention of His Majesty's Government to the fact that, in recent years, caravan robberies on a very large scale have taken place, and certain tribes have made a regular and profitable business of stopping and robbing caravans, and they have now Manchester bales stored in their forts sufficient for their use for several years to come.

Claims for the losses so incurred have from time to time been put forward by His Majesty's Legation in Tehran, but probably for want of funds have so far not been met by the Persian Government. Now that a new loan is being negotiated it is hoped that immediate payment of these claims will be insisted upon, and we would also suggest that the Persian Government should be encouraged and urged to dispatch one or more punitive expeditions against the offending tribes with the view of exacting restitution of the stolen property, and damages and indemnities, and of destroying the strongholds. The moral effect of such action would be of immense value. It would make the question of restitution by other offending tribes a comparatively easy matter, would greatly facilitate the work of the road-guards, and probably make an end, once for all, of a system that has most seriously hampered trade and greatly injured traders' interests for a long time past.

It will be apparent that if the robber tribes find that, as opportunity occurs, they can plunder caravans and retire to their strongholds to enjoy undisturbed the fruits of their robberies, the new road-guards to be instituted will be continually open to attacks on the part of these brigands; but if it is known that punishment will overtake them (even though delayed), then we feel sure that the work of the road-guards will be made much lighter.

We earnestly hope that this matter will be very strongly urged upon the attention of the Persian Government, and that all the necessary assistance will be accorded to it.

We have, &c.

P. L. ZIEGLER AND CO.
H. C. DIXON AND CO.

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No. 34.

Sir Edward Grey to Sir A. Nicolson.

(No. 8.)

(Telegraphic.) P.

Foreign Office, January 7, 1910.
PROPOSED temporary employment of Mr. New in the Persian telegraph department.

You are authorised to act as suggested in your telegram No. 5 of the 6th January.

The point you raise in the last sentence of your telegram might be urged in support of the request.

[801]

No. 35.

Sir G. Barclay to Sir Edward Grey.—(Received January 8.)

(No. 6.)

(Telegraphic.) P.

Tehran, January 8, 1910.

JOINT advance to Persian Government.

Please refer to Sir A. Nicolson's telegrams Nos. 4 and 6 of the 6th January.

It is of course impossible to assert that financial assistance will put Persian Government in a position to restore normal conditions, but the chance of success at any rate justifies a trial, and, in my opinion, promptitude in granting the advance rather than the magnitude of the sum given is the important factor upon which success depends. The authority of the Persian Government would be greatly strengthened in the provinces by the mere fact that the two Governments were assisting them in this crisis.

I admit that a substantial loan will be necessary in order to extinguish the floating debt, and that the customs revenue would bear considerable further borrowing if affected only to foreign debt, but the delay that must inevitably accompany any negotiations for a large loan temporarily put it out of court, apart from His Majesty's Government's unwillingness to facilitate such an operation at this juncture.

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No. 36.

Sir G. Barclay to Sir Edward Grey.—(Received January 8.)(No. 7.)
(Telegraphic.) P.
ARMS traffic.

In reply to your telegram No. 4 of the 5th January, regarding the position of the Bunder Abbas consulate, I am informed that there are practically no Persian troops in the town.

His Majesty's acting consul-general at Bushire has discussed the question with senior naval officer. Latter stated that the blockade would be disarranged if a ship were detached to visit Bunder Abbas at short intervals, but that, in view of the wireless communication that is always maintained with Jask, a ship of war could reach Bunder Abbas within twenty-four hours from receipt of message. Major Trevor has therefore instructed His Majesty's consul at Bunder Abbas to telegraph immediately to senior naval officer if attitude of Afghans becomes menacing.

Major Trevor reports that thirty men would not be a sufficient guard in the event of a serious attack on the consulate, but the greater number of Afghans who visit Bunder Abbas are Ghilzais engaged in the carrying trade, and therefore restrained by the fear of losing their right to come in future to the town—through which they do considerable legitimate trade—from taking offensive operations. The thirty men were suggested by acting consul-general in order to form an adequate patrol at night and to use a restraining influence on those more impetuous spirits among the Afghans who might desire to incite their fellows.

[436]

No. 37.

Foreign Office to India Office.

Sir,

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 3rd instant, relative to the survey of part of South-Western Persia which the Anglo-Persian Oil Company desire to carry out with the assistance of an officer of the Indian Survey Department.

I am to inform you, in reply, that Sir E. Grey concurs in the terms of the telegram addressed to the Government of India on the 31st ultimo, to the dispatch of which verbal consent was given at the time, embodying the conditions under which the company now desire to engage Mr. Scott for this work.

I am to add that Sir E. Grey has caused the company to be informed of the steps which have been taken in the matter.

I am, &c.

LOUIS MALLET.

[436]

No. 38.

Foreign Office to Anglo-Persian Oil Company.

Sir,

IN continuation of the letter from this Office of the 23rd ultimo, relative to the survey of part of South-Western Persia which your company propose to undertake with the assistance of an officer of the Indian Survey Department, I am directed by Secretary Sir Edward Grey to inform you that on the 31st ultimo the draft of a further telegram to the Government of India, which was stated to have been prepared at the instance of your company, was communicated to this department by the India Office with a request for concurrence in its immediate dispatch.

This message was in reply to a telegram from the Government of India to the effect that Mr. Tate had declined the offer made to him by your company as his present pay amounted to 1,000 rupees a-month, and it enquired whether Mr. Scott might be engaged on the terms mentioned in the telegram of the Government of India of the 1st December.

The reply, to the dispatch of which concurrence was at once given as desired, was

[1704]

to the effect that your company agreed to the engagement of Mr. Scott at 1,000 rupees a-month, without travelling expenses in the field, as the company would provide all tents and transport. The period of employment was not to exceed two years, and was to terminate earlier if the triangulation was completed before the expiration of that period. The company would attach to the party a young European engineer now in Persia to fill in the topography under the supervision of Mr. Scott, so that the native establishment accompanying the latter should be as small as possible.

It was added that, if Mr. Scott accepted these terms, it was important that he should proceed to Persia immediately.

I am, &c.

LOUIS MALLET.

[879]

No. 39.

Sir G. Barclay to Sir Edward Grey.—(Received January 9.)

(No. 8.)

(Telegraphic.) P.

Tehran, January 9, 1910.

EASTERN AZERBAIJAN.

Please refer to my telegram No. 5 of the 4th January, 1910.

I am informed by His Majesty's acting consul-general at Tabreez that Karadaghis attempted to capture Ahar, and were defeated with a reported loss of thirty men.

Casualties were one killed and four wounded among Government troops under Yprim.

[1015]

No. 40.

Sir A. Nicolson to Sir Edward Grey.—(Received January 10.)

(No. 11.)

Sir,

I HAVE the honour to transmit herewith copy of an *aide-mémoire* in regard to the question of an advance to the Persian Government which I have received from the Russian Ministry for Foreign Affairs.

I have, &c.

A. NICOLSON.

Enclosure in No. 40.

Aide-Mémoire communicated to Sir A. Nicolson by M. Isvolsky.

LE Gouvernement Impérial ne refuse pas en principe de participer à une avance d'argent au Gouvernement persan, tout en étant convaincu qu'en présence de la situation actuelle de la Perse une avance, fût-elle même du montant de 400,000L, ne pourrait contribuer à une amélioration effective de l'ordre des choses dans ce pays, et que dans tous les cas elle serait promptement épousée.

Pour affirmer sa situation et pour établir l'ordre et la sécurité dans le pays, il importerait au Gouvernement persan non seulement de créer une force dûment organisée, bien équipée, et régulièrement payée, mais encore d'introduire sans retard les réformes qui s'imposent d'urgence, telles que la réorganisation de la justice et de la perception des impôts, qui exigera évidemment des débours assez considérables. En outre—and c'est là un des points les plus essentiels—the Gouvernement du Schah devrait satisfaire aux justes réclamations de ses employés, officiers, soldats, &c., et leur payer, ne fût-ce qu'en partie, les arriérés des gages qui leur sont dus depuis plusieurs années. Dans ces conditions, les 10,000,000 de francs dont il est question dans la lettre de Sir A. Nicolson du 13 (26) décembre seraient épousés bien vite, et dans tous les cas avant que le Gouvernement du Schah ait eu le temps de s'assurer la rentrée régulière des impôts à l'aide des réformes susmentionnées. Ceci impliquerait un nouveau retard dans l'œuvre de la régénération du pays, et la Perse se verrait inévitablement obligée de recourir encore une fois à la générosité de la Russie et de l'Angleterre.

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Ces considérations prouvent qu'il est extrêmement important que la question de l'avance à faire au Gouvernement persan soit mis en rapport direct avec celle d'un emprunt plus considérable qui serait conclu par l'entremise de la Russie et de l'Angleterre. A l'avis du Gouvernement Impérial, un pareil emprunt pourrait seul fournir au Gouvernement du Schah les fonds nécessaires pour introduire toutes les réformes urgentes et convertir ou amortir ses dettes flottantes, si onéreuses pour le Trésor persan.

Se basant sur l'opinion émise par M. Naus, ex-Ministre des Douanes de Perse, et M. Bizot, Conseiller financier, le Gouvernement Impérial croit que le Gouvernement persan, une fois libéré de ces dettes flottantes d'une façon ou d'une autre, se verrait en état de conclure un emprunt d'une trentaine de millions de roubles dont l'excédant des revenus douaniers suffirait à garantir les intérêts ; il y a tout lieu de croire que la somme nette qui resterait entre ses mains après l'opération de l'amortissement ou de la conversion des dettes flottantes sera suffisante pour lui donner la possibilité de trouver une issue à la situation précaire dans laquelle il se trouve.

Le Gouvernement Impérial n'a pas en vue, bien entendu, de placer sur le marché financier russe une part quelconque de cet emprunt ; il pense que l'argent nécessaire pourrait être trouvé en France, à condition que la Russie et l'Angleterre assurent aux créanciers la rentrée effective des revenus du Gouvernement persan qui seraient affectés au service de cet emprunt. La Convention anglo-russe du 18 (31) août, 1907, prévoit à l'article 5 la possibilité de prendre, si la nécessité s'en présente, certaines mesures de contrôle sur des sources de revenus garantissant le service régulier des emprunts conclus par la Perse en Russie et en Angleterre. Il s'agirait donc de promettre aux banques qui consentiraient à fournir les fonds pour le nouvel emprunt l'application en leur faveur des mêmes mesures, en cas de besoin.

Ainsi que le Gouvernement britannique le fait justement observer, la conclusion d'un emprunt pour la Perse nécessiterait de longues négociations ; et c'est précisément cette considération qui confirme, aux yeux du Gouvernement Impérial, la nécessité de soulever sans délai la question de l'emprunt, vu que l'avance dont il s'agit sera bientôt épuisée.

Mais indépendamment des considérations ci-dessus émises, le Gouvernement Impérial ne peut s'empêcher d'attirer l'attention de l'Ambassade britannique sur le fait que c'est dans le cas seulement de la négociation d'un grand emprunt que la Russie et l'Angleterre auraient la possibilité d'insister sur l'institution d'un contrôle financier effectif, et de s'assurer, en échange du service qu'elles auront rendu à la Perse, la solution satisfaisante de certaines affaires qui touchent de près aux intérêts des deux Puissances, comme, par exemple, le droit de préférence dans la question des concessions des chemins de fer, ainsi que le suggère l'aide-mémoire du 9 octobre, 1908, transmis par l'Ambassade britannique.

Dès lors, le Gouvernement Impérial considère comme extrêmement désirable de tenter d'amener dès à présent le Gouvernement persan à la décision de conclure un emprunt plus considérable, dont le montant pourrait être fixé à Téhéran par les deux légations, avec le concours des directeurs des Banques russe et anglaise, M. Bizot, et les Ministres persans des Affaires Etrangères et des Finances.

En ce qui concerne la question d'un acompte sur cet emprunt que l'on pourrait avancer dès à présent à la Perse, le Gouvernement, ainsi qu'il a été dit plus haut, se déclare prêt à participer à la dite opération, mais se voit obligé d'exposer les considérations suivantes à ce sujet.

Au printemps dernier, quand la Perse traversait une crise aiguë, le Gouvernement russe avait offert au Gouvernement persan de lui venir en aide aussitôt que l'ex-Schah aurait accepté le programme de réformes proposées par la Russie et l'Angleterre, et de lui verser sa part de l'avance de 5,000,000 de francs dont il était question alors. La somme nécessaire avait été déposée à la Banque d'Escompte de Perse. Ensuite les événements s'étant précipités et ayant amené l'abdication de Mohammed Ali Schah, l'opération financière en question n'a pas pu être exécutée, et la somme dont il s'agit n'a pas été affectée au but proposé. Le Gouvernement Impérial serait prêt à avancer actuellement cette somme de 2,500,000 fr. au Gouvernement persan comme acompte sur le futur emprunt, mais il lui serait très difficile à porter cette somme au chiffre de 5,000,000 de francs, car dans ce cas il devrait recourir aux Chambres législatives.

Le Gouvernement Impérial partage entièrement l'avis du Gouvernement britannique qu'il est indispensable d'obtenir, au moment même du versement de l'avance, l'institution d'un contrôle effectif, afin de prévenir des dépenses inutiles ou contraires aux vues de la Russie et de l'Angleterre.

Enfin, pour les détails du contrôle à instituer, le Gouvernement Impérial trouverait

utile de s'en tenir aux considérations exposées dans l'aide-mémoire du Ministère Impérial des Affaires Etrangères du 26 mars, 1909, et propose que ce contrôle soit confié à une commission financière spéciale à Téhéran dont la composition et les fonctions sont prévues au p. 6 du dit aide-mémoire.

Saint-Pétersbourg, le 23 décembre, 1909 (5 janvier, 1910).

[1080]

No. 41.

India Office to Foreign Office.—(Received January 10.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, with reference to Foreign Office letter No. 43918/09, copy of a letter to Major P. Z. Cox, with enclosure, relative to the extension of his deputation in England.

India Office, January 8, 1910.

Enclosure 1 in No. 41.

India Office to Major Cox.

India Office, January 8, 1910.

Sir,
WITH reference to my letter of the 11th December last, I am directed by the Secretary of State for India to inform you that it has been found necessary to arrange for your continued presence in England for the purpose of discussing certain matters relating to Persia and the Persian Gulf,

You are accordingly placed on deputation for that purpose on the usual terms, viz., two-thirds of your Indian salary, for a fortnight in the first instance, but your further detention must also be regarded as possible.

The Government of India have been informed accordingly by telegram, dated the 7th instant. It is proposed to telegraph to them as early as may be found possible the date of your intended departure from this country.

I am to add that the period of your duty will form an interruption of your privilege leave, which will be resumed for the period of your journey back to India.

I am, &c.
R. RITCHIE.

Enclosure 2 in No. 41.

Viscount Morley to Government of India.

(Telegraphic.)

India Office, January 7, 1910.

LETTER to Cox, 11th December, forwarded by mail, 17th December. In connection with matters under discussion with Foreign Office, it has been found necessary to place him on deputation in England on usual terms for fortnight in first instance, but further detention possible. I trust that arrangement will not cause inconvenience. Will telegraph date of intended departure as early as possible.

[1111]

No. 42.

Sir G. Barclay to Sir Edward Grey.—(Received January 10.)

(No. 11.)

(Telegraphic.) P.

Tehran, January 10, 1910.

JOINT advance to Persian Government.

Please refer to penultimate paragraph of Sir A. Nicolson's telegram No. 4 of the 6th January.

I am of opinion, after consultation with the financial adviser, that a commission which included Bizot and Mornard would serve to control the expenditure of the

advance in quite as effective a manner as the commission that the Russian Government propose, while it would certainly meet with less objection on the part of the Persian Government.

I regret to say that Bizot's contract expires at the end of next month, but he could doubtless be induced to remain until the arrival of the French experts.

Effective control will not be ensured either by Russian proposal or by mine in itself. Such a commission, for example, could not with certainty guarantee that the funds set aside for troops or for a gendarmerie should actually reach the men. Only by paying the money to the men through an European channel, *i.e.*, through foreign instructors, could any certainty be obtained on this score.

The French experts whose engagements we hope to secure will, I trust, perform those more permanent functions of the commission contemplated in Russian memorandum of the 8th April.

[1120] No. 43.

Sir A. Nicolson to Sir Edward Grey.—(Received January 10.)

(No. 10.)
(Telegraphic.) P.

PROPOSED advance to Persia.

I saw M. Sazonow, Assistant Minister for Foreign Affairs, to-day, and he gave me to understand that the form and amount of Russian participation in the advance would probably be settled at a discussion between the Ministers interested, which is to take place on the 12th January.

[1256] No. 44.

Sir A. Nicolson to Sir Edward Grey.—(Received January 11.)

(No. 11.)
(Telegraphic.) R.

St. Petersburg, January 11, 1910.
SIR G. BARCLAY'S telegram No. 822 of 31st December and your telegram No. 8 of 7th January.

Russian Government have no objection to Mr. New being lent temporarily to the Persian telegraph administration for the purpose of assisting in the reorganisation of that department.

(Sent to Tehran.)

[1256] No. 45.

Sir Edward Grey to Sir G. Barclay.

(No. 8.)
(Telegraphic.) P.

Foreign Office, January 11, 1910.
LOAN of Mr. New to Persian Telegraph Administration. (St. Petersburg telegram No. 11 of to-day.)
We concur.

[1111] No. 46.

Sir Edward Grey to Sir G. Barclay.

(No. 9.)
(Telegraphic.) P.

ADVANCE to Persia.

Does proposal in your telegram No. 11 of yesterday mean that a commission consisting of Mornard, Bizot, and one Persian subject should take control of the whole advance, and, after satisfying itself as to the application of the money, hand it over to the Government in instalments? Also, do you suggest that French Government should be approached by Russia and ourselves with a view to retention of M. Bizot at Tehran

until arrival of the French financial experts? If that is your suggestion, will your Russian colleague make the same proposal to his Government?

I am anxious to put proposal as to the regulation of the advance before Russian Government in a concrete form.

[734]

No. 47.

Foreign Office to Board of Trade.

Foreign Office, January 11, 1910.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 6th instant, forwarding copy of a letter from Messrs. P. Ziegler and Co. and H. C. Dixon and Co. relative to the provision of road guards in Southern Persia.

I am to inform you in reply that the recommendations of these firms will be borne in mind in the further consideration of this question.

I am, &c.
LOUIS MALLET.

[1292]

No. 48.

India Office to Foreign Office.—(Received January 12.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 10th January, relative to the situation on the Bushire-Ispahan road.

India Office, January 11, 1910.

Enclosure in No. 48.

Viscount Morley to the Government of India.

(Telegraphic.) P.

India Office, January 10, 1910.
BUSHIRE-ISPAHAN road. See telegram of 1st instant from His Majesty's Minister at Tehran.

Instructions have been sent to Sir A. Nicolson to point out to Russian Government that necessity of furnishing moderate funds without further delay to Persian Government, with a view to enabling them to restore order, is emphasised by the situation. It is in no way in contemplation at present to intervene for this purpose with Indian force, but you should maintain precautionary measures, subject to reservations contained in my telegram of the 7th August.

[1336]

No. 49.

India Office to Foreign Office.—(Received January 12.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, with reference to India Office letter of the 6th January, 1910, copy of a telegram to the Viceroy, dated the 10th January, relative to a temporary increase of the Bunder Abbas consular guard.

India Office, January 11, 1910.

[1704]

Enclosure in No. 49.

Viscount Morley to Government of India.

(Telegraphic.) P.

India Office, January 10, 1910.
I APPROVE proposal as to Bunder Abbas escort contained in your telegram dated the 5th January.

[1369]

No. 50.

Sir G. Barclay to Sir Edward Grey.—(Received January 12.)

(No. 12.)

(Telegraphic.) P.

EASTERN AZERBAIJAN.

In continuation of my telegram No. 8 of the 9th January, I have the honour to report that official news has been received of a further defeat of the Karadaghis under Rahim Khan's son. Rebels are said to have been repulsed with heavy loss after an unsuccessful attempt upon Ahar from various sides.

In communicating the above, His Majesty's acting consul-general at Tabreez reports that he learns confidentially that Government troops at Ahar are running short of ammunition, and that in Tabreez governor-general has very little to spare. I am informed by Minister of Interior that extra supplies are being dispatched from capital. Government appear anxious, as it will take over a fortnight to reach Ahar.

[1370]

No. 51.

Sir G. Barclay to Sir Edward Grey.—(Received January 12.)

(No. 13.)

(Telegraphic.) P.

EASTERN AZERBAIJAN.

I am informed by His Majesty's acting consul at Tabreez that at the urgent order of the Viceroy of the Caucasus some 200 Russian troops have been sent to reconnoitre in the neighbourhood of Ahar, from Tabreez and Ardebil, and to collect precise details as to respective strength of the Government and the rebel troops.

It is to be regretted, since the movement of Russian troops, by whatever innocent motives it may be prompted, will, with little doubt, be interpreted as support to Rahim Khan by public opinion. Neither M. Poklewski nor the Russian consuls at Ardebil, nor, apparently, the Russian consul at Tabreez, was consulted as to the dispatch of these troops. This failure to consult the Russian foreign agents seems the more strange in that the Caucasus authorities abandoned, on the advice of the Russian consul at Ardebil, the plan they had formed some days ago of sending a detachment to Sarab.

(Private and Very Confidential.)

M. Poklewski is complaining of this independent action on the part of the military authorities, but has asked me not to report this officially to my Government.

[1372]

No. 52.

Sir A. Nicolson to Sir Edward Grey.—(Received January 12.)

(No. 12.)

(Telegraphic.) R.

ROAD guards in Southern Persia.

Minister for Foreign Affairs handed me a memorandum to-day on the subject. Russian Government agree as to the necessity of instituting road guards, and they also agree as to an increase of 10 per cent. on customs revenues for a period not exceeding three years, on condition that the proceeds of the surtax be devoted to payment of guards. In view of fact that projected measure principally applies to roads in central zone, it would appear desirable that expenditure of sums be under practical control of the Russian and British consular representatives in that zone. As regards British

sphere, such control would be exclusively in hands of British consuls. Increase of customs revenues could be effected by an exchange of notes with the Persian Government, in which it should be laid down that surtax should be paid into Russian and British banks. Russian Government do not require road guards on their roads in the north. Minister for Foreign Affairs explained verbally that they already existed, and, moreover, roads were guarded by Russian troops.

Russian Government consider that this question of road guards is quite distinct from general question of organising a gendarmerie and reorganising the Persian army. This question is a complicated one which will take a long time to work out. In the meantime, as disorders usually occur in the spring, it is necessary for the Persian Government to make preparations for eventualities. Only measure would be immediate reinforcement of Cossack brigade, which, by help of its native officers and native non-commissioned officers, could be expanded into a division, or more. Russian Government would be ready to supply guns and military supplies on credit to Persian Government in accordance with a request made some time ago by the Persian Government. Russian Government are of opinion that it would be advisable to exert serious pressure on the Persian Government in the above-mentioned sense as to foreign instructors for gendarmerie and army. Russian Government, in view of possible intrigues and foreign influence, consider it to be unquestionably desirable that instruction should be entrusted solely to Russian and British officers, and they propose that both Governments should use all their influence and exhaust all means at their disposal before making any concessions on that point. The financial aid desired by Persian Government affords the most powerful lever for that purpose, and this should be utilised. In last resort it would be possible to permit Persian Government to employ only subaltern officers of a foreign nationality other than Russian or British, and only after preliminary agreement with Russia and Great Britain. Chief supervision must always remain in British and Russian hands.

I will send a translation of memorandum by messenger to-morrow.
(Sent to Tehran.)

[1373]

No. 53.

Sir A. Nicolson to Sir Edward Grey.—(Received January 12.)

(No. 13.)

(Telegraphic.) P.

St. Petersburg, January 12, 1910.

MY telegram No. 10 of the 10th January.

I am informed by M. Isvolsky that the question of an advance to Persia will not be discussed to-night, but from our conversation I gathered the following:—

His Government are prepared to make an immediate advance of 100,000L—and in view of the apparent urgency I would submit that this should be accepted—while the settlement of the conditions would be left to the representatives at Tehran. The Persian Government would thus secure 200,000L for their immediate needs. With regard to the advance of a further 200,000L, M. Isvolsky said that he could not make any definite promise that his Government would be prepared to put down their half of this sum, but he intimated that it might be possible, if discussions for a loan were commenced now, for his Government to accord their half share of the advance as an instalment of their eventual share of the loan. M. Isvolsky said that he could make no promises, but Russia might find it easier to put down her moiety of the second 200,000L if negotiations for a loan were commenced forthwith.

[1374]

No. 54.

Sir A. Nicolson to Sir Edward Grey.—(Received January 12.)

(No. 14.)

(Telegraphic.) P.

St. Petersburg, January 12, 1910.

MY telegram No. 12 of the 12th instant.

From the Russian memorandum on the subject of road guards, and on the more important questions of the reorganization of the Persian army and the institution of a gendarmerie, I gather that it is not their intention to attach to our furnishing an advance the condition that the instructors of the future gendarmerie and army should be Russian and British subjects. In fact, I am inclined to think that some

control over expenditure would be the only condition which Russia would demand in advancing 100,000*l*. Might I, perhaps, put this question to them? I gather that it is only when a loan is to be made that they would have recourse to the financial lever, and would press for the appointment of instructors as indicated in their memorandum.

I had already informed M. Isvolsky in writing on 29th December (see Sir G. Barclay's telegram No. 820 and your telegram No. 1371) that we wished to drop our intention of introducing into the negotiations for an advance any condition as to the nationality of the road guards.

[1424] No. 55.

Anglo-Persian Oil Company to Foreign Office.—(Received January 13.)

Sir,
Winchester House, Old Broad Street,
London, January 12, 1910.

I HAVE the honour to acknowledge receipt of your letter of the 8th instant advising me of the dispatch to the Government of India of a telegram on behalf of this company authorising (1) the engagement of Mr. Scott at 1,000 rupees per month, without travelling expenses in the field, as the company would provide all tents and transport, the period of employment not to exceed two years, and to terminate earlier if the triangulation was completed before the expiration of that period; (2) advising that a young European surveyor, now in Persia, would be attached to the party to fill in the topography under the supervision of Mr. Scott, so that the native establishment accompanying the latter should be as small as possible; and adding (3) that if Mr. Scott accepted these terms it was important that he should proceed to Persia immediately.

I shall be glad to know if any reply to the above message has been received from the Government of India, and, if not, I shall be obliged if you will cause a telegram to be sent asking when Mr. Scott will sail for Persia.

I have, &c.
C. GREENWAY, Managing Director.

[1372] No. 56.

Sir Edward Grey to Sir G. Barclay.
(No. 10.)
(Telegraphic.) P.
ROAD guards

In view of communication made by Russian Government (see Sir A. Nicolson's telegram No. 12 of yesterday), what is your opinion? I ask your views specially as to suggested levy of surcharge at Bushire alone. Board of Trade think this might be done, but that levy at all ports would give rise to considerable objection. In my opinion, there are obvious objections to levy at Bushire only.

[1373] No. 57.

Sir Edward Grey to Sir G. Barclay.
(No. 12.)
(Telegraphic.) P.
Foreign Office, January 13, 1910.
ADVANCE to Persia. (See my telegram No. 18 of to-day's date to St. Petersburg.)

What is your opinion as to advisability of devoting some of present advance to road guards? If you think it advisable, and M. Poklewski agrees, a condition must be made to that effect.

We are making arrangements for depositing the advance with the Bank of Persia.

[1373]

No. 58.

(No. 18.)

(Telegraphic.) P.
ADVANCE to Persia.

It might be as well to exact some conditions as to grant and control of the first 200,000*l*. These conditions might be decided by the representatives at Tehran. Will you ask M. Isvolsky to authorise M. Poklewski to consult with His Majesty's representative on this subject?

Foreign Office, January 13, 1910.

[152.]

No. 59.

India Office to Foreign Office.—(Received January 14.)

Sir,
India Office, January 13, 1910.
I AM directed by the Secretary of State for India in Council to acknowledge the receipt of your letter of the 29th November, and to enclose herewith two accounts (in triplicate) of expenditure incurred in connection with the construction of the Central Persia telegraph line, together with a copy of a note by the director-in-chief, Indo-European Telegraph Department, which the Secretary of State has approved on the subject; and I am to request that they may be forwarded to His Majesty's Minister at Tehran with a view to the presentation of the accounts to the Persian Government for acceptance.

I have, &c.
COLIN G. CAMPBELL.

Enclosure 1 in No. 59.

ACCOUNT against the Persian Government for the Capital cost of the Central Persia Telegraph Line, constructed from Tehran to the Baluchistan frontier of India, by the Indo-European Telegraph Department for the Persian Government, under the Convention between the United Kingdom and Persia, dated the 16th August, 1902.

| Particulars— | Rs. | a. | p. |
|-----------------|-----------|----|----|
| Cash charges | 10,96,211 | 15 | 9 |
| Value of stores | 7,80,003 | 5 | 6 |
| Total.. | 18,76,215 | 5 | 3 |

Certified that the expenditure shown under cash charges in this account was actually incurred in payments for transport of materials from coast ports, for distribution of stores along line, for wages of labourers, for petty local purchases, &c. Certified also that, as regards the value of stores, all the telegraph material was purchased in England through the Store department of the India Office, and that the amount included in the account represents the actual value of the stores purchased and used on the construction of the Central Persia telegraph line.

H. A. KIRK, Director-in-Chief,
Indo-European Telegraph Department.

December 8, 1909.

Enclosure 2 in No. 59.

ACCOUNT against the Persian Government for Advances made under Article 2 of the Convention between the United Kingdom and Persia, dated the 16th August, 1902, during the Construction of the Central Persia Telegraph Line from Tehran to the Baluchistan Frontier of India for the Government of Persia.

| Particulars—Salaries and allowances of establishment | Rs. | a. | p. |
|--|--------|----|----|
| [1704] | 96,561 | 4 | 11 |

I

Certified that the expenditure shown in this account for establishment charges was actually incurred for the payment of the salaries and allowances of the staff employed in the direction and supervision of the work of constructing the Central Persia telegraph line, under article 2 of the convention, dated the 16th August, 1902.

H. A. KIRK, Director-in-Chief,
Indo-European Telegraph Department.

December 8, 1909.

Enclosure 3 in No. 59.

Note by the Director-in-Chief, Indo-European Department, dated the 8th December, 1909.

THE accounts of expenditure incurred in the construction of the Central Persia telegraph line are herewith submitted for presentation to the Persian Government.

2. In presenting the accounts for the acceptance of the Persian Government it seems advisable that the following explanations should be given:—

- (a.) That the accounts of the expenditure on the work have been kept, like the ordinary accounts of the Indo-European Telegraph Department, in Indian currency.
- (b.) That for the payments in Persia made in krans, the rates of exchange between krans and rupees prevailing at the time of the payments have been taken.
- (c.) That the payments in England in pounds sterling have been taken at the exchange of 1*l*, being equivalent to 15 rupees.
- (d.) That the rate of exchange for francs has been taken as 25 fr., being equivalent to 1*l*.

3. The account of the capital cost of the Central Persia telegraph line amounts to rupees 18,76,215 : 5 : 3. This amount is equivalent to 125,081*l*. 0*s*. 5*d*., or to 3,127,025.525 fr. The annual rental payable to the Persian Government for the use and the transit revenue of the line at 4 per cent. on its capital cost will, therefore, amount to 125,081.021 fr. Under article 4 of the Telegraph Convention of the 16th August, 1902, three-quarters of this amount, or 93,810.76575 fr. will be retained by the British Government, and the balance 31,270.255525 will be paid annually to the Persian Government in two half-yearly instalments. It would be of advantage that the fraction of a franc should be excluded in these payments, and that the half-yearly payment should be 15,635 fr. This rental is due as from the 1st July, 1907, the date on which the construction of the telegraph line was completed, and the first half-yearly payment fell due on the 1st January, 1908. The payment then made was at the minimum rate of 12,500 fr. per half-year. Further payments were made on the 1st July, 1908; 1st January, 1909; 1st July, 1909; and a payment has been arranged for on the 1st January, 1910. On these five payments there is a balance due to the Persian Government of 15,675 fr., the difference between the 12,500 fr. actually paid each time and the 15,635 fr. now shown to be due. These arrears can be paid when the account has been accepted as correct by the Persian Government.

4. The account submitted for the advances made under article 2 of the convention shows an expenditure of rupees 96,561 : 4 : 11, the equivalent of 160,935.5208 fr. The settlement of this account will, no doubt, be allowed to be deferred to suit the convenience of the Persian Government, as is being done in the case of the payment due for the telegraph line and cable between Henjam and Bunder Abbas provided by the Indo-European Telegraph Department for the Persian Government.

5. In connection with the provision of telegraph offices and buildings along the Central Persia line there has been some expenditure under article 6 of the convention. A separate account will be prepared of this expenditure, and submitted later. The Persian Minister of Telegraphs, in a letter, dated the 5th April, 1904, to the address of the British Minister at Tehran, agreed that the expenditure for the provision of telegraph buildings, whether by building them, purchasing, or renting them, was to be a charge to the Persian Government.

[1559]

No. 60.

Mr. F. C. Strick to Foreign Office.—(Received January 14.)

Sir,

Baltic House, Leadenhall Street, London, January 13, 1910.
SINCE writing to you on the 31st ultimo, further cablegrams have been exchanged between my firm and its agent at Tehran, copies of which I enclose.

I have, &c.

FRANK C. STRICK.

Enclosure in No. 60.

Cablegrams exchanged between Messrs. Strick & Co. and their Tehran Agent, Mr. David Brown, of the Imperial Bank of Persia, subsequent to the 31st December, 1909.

Sent to D. Brown:—

"For your private information only, we know from second party, Persian Minister here, who is son of Persian Foreign Minister, has full information about offers made by you. We believe Persian Minister, London, is interested in syndicate of little account, which is endeavouring to obtain concession Ormuz. Do you think Persian Minister, London, has any influence with Persian Government?"

Received from D. Brown:—

"In reply to your telegram, Morteza Khan Sani-ed-Dowleh informs me that our offer will be referred to special council next Thursday (i.e., the 13th January), and hopes it will receive favourable consideration. Opposition syndicate greatly weakened owing to backsliders. I do not consider influence, Persian Minister, London, is of value."

Sent to D. Brown:—

"For your information, Andrew Weir & Co. are doing their utmost to fix a prompt steamer to load 6,000 tons at Ormuz."

[1597]

No. 61.

Sir G. Barclay to Sir Edward Grey.—(Received January 14.)

(No. 14.)

(Telegraphic.) P.

Tehran, January 14, 1910.

EASTERN Azerbaijan.

In continuation of my telegram No. 13 of the 12th January, I have the honour to report that I learn from the Minister of the Interior that Persian Government are about to make a formal protest to the Russian Government against the dispatch of troops to Ahar, which will be heralded by Rahkmi Khan as a proof of Russian support of Mehemet Ali, for whose cause he has taken up arms.

Since the recent victories of the Government troops, the Karadaghi and Shahsevan chiefs have, His Majesty's acting consul-general at Tabreez states, been wavering whether to continue the insurrection.

The present moment was therefore more than usually inopportune for the Russian action.

[1598]

No. 62.

Sir G. Barclay to Sir Edward Grey.—(Received January 14.)

(No. 15.)

(Telegraphic.) P.

Tehran, January 14, 1910.

ADVANCE to Persian Government.

Please refer to your telegrams Nos. 9 of the 11th January and 12 of the 13th January.

Following is substance of a communication which I suggest we should now be authorised to make to Persian Government:—

"The two Governments will, on receipt of a detailed programme of expenditure acceptable to the two legations, be willing, subject to the conditions here appended, to advance 400,000*l.*, placing 100,000*l.* now to the credit of Persian Government at each bank, to be supplemented later by a similar sum.

"A commission under the presidency of the Minister of Finance, and formed of MM. Bizot and Mornard, two deputies of the Medjliss, and two other Persians, to control the expenditure of the monies according to the programme. The signature of the Minister of Finance with the approval of the commission, and of the Minister whose department is concerned, to be necessary before payment is made to any department.

"Acceptance of the programme of expenditure to be made conditional on provision being made for—

"1. The engagement in the Ministry of Finance of seven French experts with executive powers in accordance with the recommendations embodied in a report which M. Bizot is now submitting to Persian Government, payment of all money being withheld until Persian Government formally apply for the loan of these men to France; and

"2. For the formation of an adequate gendarmerie to maintain order on the roads, with foreign instructors of whom the two Powers shall have approved.

"In the event of a railway enterprise in Persia, Persian Government to undertake to give to two Powers, upon terms equally favourable to any offered by third parties, the refusal, in the case of railways in which each, respectively, is especially interested, of any concession which may be under consideration."

It is not necessary, for the present, to say anything concerning M. Bizot in Paris. A financial adviser can be dispensed with if our conditions regarding the French experts are accepted by Persian Government, and M. Bizot, while unwilling to renew his contract, will agree to remain in Tehran provisionally in order to introduce the new experts to the work, although he is of opinion that his services would be more useful in France to aid in the selection of suitable men, in which case he would return with them to Persia. In the meanwhile M. Mornard would suffice on the commission of control proposed above.

In any case this commission can only be considered as a *pis aller*; present conditions preclude any better arrangement; but I could not recommend that the necessarily imperfect character of the control should deter His Majesty's Government from granting a prompt advance.

M. Poklewski concurs in the above views subject to the decision of Russian Government with regard to—

1. The appointment of instructors for the gendarmerie.
2. The inclusion, as fifth condition, of the Urumia Lake Concession, the negotiations with Imam Kuli Mirza having broken down.

Neither my Russian colleague nor I, owing probably to a heavy snowfall, are yet acquainted with the decision of the Russian Government, but I conclude from your telegram No. 11 that they have consented to a joint advance, in two instalments, of 400,000*l.*

[1736] No. 63.

Sir G. Barclay to Sir Edward Grey.—(Received January 16.)

(No. 17.)

(Telegraphic.) P.

ADVANCE to Persian Government.

With reference to your telegram No. 12 of the 13th January, and to your telegram No. 18 to Sir A. Nicolson of same date, I should not be inclined to attach the clauses concerning gendarmerie and railways if we can only promise Persian Government a joint advance of 200,000*l.*

The smaller advance must of course be made subject to conditions which will enable us to exercise control, and at this period the engagement of foreign financial

experts, involving as it does only inconsiderable expense, and indispensable as it is for any permanent improvement, should be made a *sine quâ non*, but I should not wish to urge that any portion of the 200,000*l.* should be devoted to the gendarmerie; to re-establish conditions in which a gendarmerie or road guards would suffice to maintain order is of more urgent importance than to institute such a force. I would propose that Persian Government should be allowed to employ this money in organising punitive expeditions or such military operations, in the interest of their prestige, as they may deem advisable.

I propose to take the above line when M. Poklewski receives authorisation to discuss the conditions with me.

No. 64.

Sir A. Nicolson to Sir Edward Grey.—(Received January 16.)

(No. 16.)

(Telegraphic.) P.

St. Petersburg, January 16, 1910.

LAST paragraph of Tehran telegram No. 15. Joint advance to Persian Government.

A joint advance of 400,000*l.*, in two instalments, has not yet received the consent of the Russian Government. M. Isvolsky has taken no engagements as to a second advance of 200,000*l.*, though I have received verbal intimation to the effect that if negotiations for a loan were opened the Russian Government might possibly consider it. As to the first joint advance of 200,000*l.*, I hope to receive their consent in writing, the arrangement of all questions of control and conditions being left to the two representatives.

[1780]

No. 65.

Sir G. Barclay to Sir Edward Grey.—(Received January 17, 1910.)

(No. 221.)

Sir,

Tehran, December 27, 1909.

SINCE last mail the principal events calling for mention have been the withdrawal of a number of Russian troops from Kazvin and the Ardebil district and the formal application of the Persian Government to the two Powers for an advance of 500,000*l.*

The detachments at Kazvin, at Tabreez, and in the Ardebil district now number some 1,000 or 1,100 men each. The reduction of the Kazvin force, which it is to be hoped will not stop with the withdrawal of the 600 or 700 men who have recently left, has not softened the tone of the press, which continues to publish strongly anti-Russian articles, but so far the Medjliss, restrained no doubt by Nasr-ul-Mulk's moderating influence, has kept remarkably quiet.

On the 30th ultimo the Ministerial programme, of which I transmit a summary, was presented to the Medjliss, and, after being discussed in secret session, was formally approved, the two items on which the best chance of success depends—the borrowing of 500,000*l.* and the engagement of foreign advisers—being accepted only subject to the eventual approval by the Medjliss of the conditions attached to the advance and of the terms on which foreign advisers are to be engaged. On the 12th instant the Minister for Foreign Affairs called privately at the two legations to give us notice that the application for the advance would be made on the following day, and to urge upon my colleague and me the pressing need of the Persian Government and the desirability of keeping back any disagreeable conditions until the negotiations for the larger loan contemplated in the Ministerial programme for the extinction of the floating debt. On the following day, as already reported by telegraph, his Highness called again, this time accompanied by the Minister of Finance, and formally applied for the advance, which the two Ministers declared to be imperatively needed for the restoration of order and for reforms in the administration, especially in the Department of Finance.

Since the application for the advance things have marked time in Tehran, the Cabinet is anxiously awaiting to learn the conditions which the two Powers decide to attach to the advance, and loses no opportunity of impressing upon my colleague and me that its resignation will follow a breakdown of the negotiations.

It is from no desire to spare Persian susceptibilities that I have sought in some degree to restrict the scope of our conditions. In so doing I have been actuated solely

[1704]

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by my conception of the joint interest of the two Powers, which I cannot but think would be best served by giving, as promptly as may be, a substantial sum to the present Government. The relative tranquillity which has marked the period since the revolution may last through the winter months, but I look forward to the coming of spring, when the tribes commence their summer migration, with no little apprehension, unless by that time the Central Government has gained strength to prevent a recrudescence of disorder, and this it can only do by obtaining funds without delay and using them aright. The failure of the Government to re-establish its authority must sooner or later necessitate the intervention of the two Powers, however reluctant they may be to take such a step, and I feel that I should be greatly to blame in this eventuality if the failure of the Government had come about through a breakdown of the present negotiations due to any demand which I had suggested over and above those which I had deemed strictly necessary in order to ensure, as far as possible, the proper employment of the money. Indeed, I consider that only success would justify the fourth condition which I suggested in my telegram No. 800, viz., that relating to the ear-marking of railways, and if later it should appear likely to wreck the advance, I should be glad to see it waived in so far that we might, while foregoing any undertaking in the sense desired, content ourselves merely with making the joint communication indicated in the 12th paragraph of the memorandum handed to M. Isvolsky on the 18th October, 1908. The other three conditions which I suggested are all designed to secure, as far as may be, the useful employment of the money. The form of control is, I think, the best that could be devised for the moment, though we might stipulate for the addition to the commission of one or more of the French experts, who, it is proposed, should be engaged. But in order that this control should be really effective it will be necessary that the gendarmerie, to which a great part of the money should be devoted, should receive their pay through European channels, and for this reason, if for no other, it would be very desirable that European instructors should be engaged. If, however, Russia cannot be persuaded to admit the engagement of any Europeans but Russians in the North, it seems open to question whether it might not be wiser to drop even this condition, so much do I fear that, sooner than consent to the engagement of more Russian officers, the Medjliiss, which already looks on the Cossack Brigade as differing little from a Russian force, may prefer to forego any financial assistance from the two Powers.

As regards the state of public order in the province during the past four weeks, the only event of any importance reported has been a fight near Sarab a day or two ago between a son of Rahim Khan and some of the Government force sent from Tehran. Sardar Assad's son commanded the Government troops, and the fight is said to have resulted in the complete defeat of Rahim Khan's men. The state of the Bushire-Ispahan road was up to the last few days, if anything, worse than when last I wrote, but I learn this morning that a few caravans are passing now between Kazeroon and Shiraz, the Boir Ahmadi tribesmen having been compelled by the severe cold to abandon their encampments, and that the road between Ispahan and Yezdikhast is no longer blocked by Kuhgelui. Latest advices also denote some improvement on the Kermanshah-Hamadan road. I have no further details regarding the situation at Shiraz, but the two consuls continue to press my colleague and me to urge the dismissal of Sowlet-ed-Dowleh from the Ilkhaniship of the Kashgai, with whom M. Passek is naturally very indignant, as he believes him to be responsible for the recent attack on his caravan. Knowing the powerlessness of the Central Government, we have refrained from pushing them to adopt a course which Sardar Assad, from his jealousy of Sowlet-ed-Dowleh, would be only too willing to adopt if he felt strong enough to do so.

I have, &c.
G. BARCLAY.

Enclosure in No. 65.

Précis of Ministerial Programme submitted by the Persian Cabinet to the National Assembly, November 30, 1909.
(Translation.)

AFTER a lengthy preamble respecting the urgent necessity for reforms, the programme states that the main object which the Government must keep in view is the maintenance of order in the country. For this purpose it is necessary—

(1.) To maintain a well-organised force, and to station it permanently in different parts of the country;

- (2.) To employ regular road-guards for the protection of trade routes; and
- (3.) To organise an efficient police force in all the towns.

Military reforms will require careful consideration, and, when completed, the scheme will be laid before Parliament. As a temporary measure for the maintenance of order, the Government propose to have between 25,000 and 30,000 of the existing soldiers under arms. The budget for this force will be submitted to Parliament for approval.

To carry on the Government a sum of 2,500,000 tomans (500,000L) is necessary at once, and as this sum is difficult to obtain in the country at this moment, it is proposed that a fresh loan should be raised. In view of the importance of maintaining order throughout the country, it is proposed by the Government to open negotiations without delay for the purpose of obtaining an advance of the above-mentioned sum, and subsequently to negotiate respecting a larger loan for the purpose of consolidating the different advances made to the Government at high interest. The interest paid by the State on the loan will naturally be at a lower rate than that now borne by the advances, and thus a new source will be found for the payment of interest and sinking fund on the amount to be borrowed. The result of the negotiations for the loan will in due course be submitted to Parliament.

The most important reforms which the Government will have to undertake will be the introduction of a system of control for the revenue and expenditure of the State, which is as important as the maintenance of order. At the same time as the financial reforms are introduced it will be necessary to establish an accounts department and a system for the collection of all the revenue in the capital, and the formation of a treasury department. The budget for each department will have to be fixed and presented to Parliament, but before undertaking these budgets, and putting them into execution, those which were in force when the present Government took office will hold good.

It will further be necessary to reorganise the various departments of the Government on modern lines, and for this purpose it is proposed to introduce foreign advisers in order that a proper reform should be assured. The Administrations of Justice and Education are particularly in need of reform, and the work of reforming the Administration of Justice is already in hand. New laws will be submitted to Parliament, but until this is done the present system will continue in force, and the Minister of Justice will be authorised to select his own subordinates. A Bill for educational reform will be submitted to Parliament, and will include provision for the expense of sending students to Europe.

[1781]

No. 66.

Sir G. Barclay to Sir Edward Grey.—(Received January 17, 1910.)
(No. 222.)

Sir,

Tehran, December 27, 1909.

I HAVE the honour to transmit copy of a despatch from His Majesty's consul-general at Meshed reporting the judicial murder at Nishapur of two Ismailis at the instigation of the clergy.

I have pointed out to the Persian Government the deplorable impression that would be produced if the facts of this case were made known in England, where the Ismailis, owing to the position of the Aga Khan as a British subject, are the object of very special interest, and I have urged the necessity of punishing the culprits and of dismissing the governors of Darud and Nishapur, the latter of whom appears to have shown culpable weakness, and the former having been practically an accomplice in the outrages.

Sardar Assad, to whom my representations were made, seemed to realise how important it was that an example should be made of the fanatics responsible for these crimes, and promised to punish the two culprits, who have been brought to Tehran for trial. He told me, however, that the Persian Government did not feel strong enough to execute two Mollahs without the sanction of the Ulema at Nejef, for which he had already asked, but he promised to dismiss the two governors, and if the Ulema refused to sanction the execution of the two culprits, to imprison for life Bagher Darrudi, who actually committed the murders, and to deport Moin-ul-Ghuruba, the instigator of the crimes, to Kerbela. Meanwhile, he begged me to keep the matter out of the press.

I shall watch this matter and do my best to keep Sardar Assad to his word, but I may have some difficulty, as the Government appears to be anxious not to precipitate a conflict with the clergy at this juncture.

In my despatch No. 211 of the 21st November I drew attention to the absence of the clerical element from the present Medjliiss, and as time goes on signs are not wanting to indicate that the new régime aims at eliminating the baneful influence of the Mollahs, who naturally resent any attempt to exclude them from participation in public affairs.

There are, in fact, at this moment indications of friction between the new régime and the clergy, and for this reason it is feared by Sardar Assad that unless the Government are careful the clergy may seize some excuse for inflaming fanaticism on the part of the ignorant masses in order to discredit the present Administration.

I have, &c.
G. BARCLAY.

Enclosure in No. 66.

Consul-General Sykes to Sir G. Barclay.
(No. 43.)

Sir,
I HAVE the honour to report that Mohammad Khan, the munshi of this consulate-general, and a man of high character, has returned from enquiring into the very serious outrages perpetrated on the Ismailis, and what he states fully confirms, and also supplements, information received by me from various sources. Consequently my facts are substantially correct.

2. It is hardly necessary to state for your information that the Ismailis, the assassins of the Crusaders, are followers of his Highness Aga Khan, who is the leading Mahomedan in India. In Persia they are scattered about in small, poverty-stricken communities, mainly in the Kainat (Sehdeh) and Nishapur districts, and during my long connection with Persia no such outrages have occurred, and it has been under a reformed and so-called enlightened Government that these poor men have been outraged, done to death, and then treated with unmentionable indignities. Indeed, their bodies were still unburied a few days ago.

3. The instigator of the whole business is apparently a certain Mollah Abdul Karim, who was an Ismaili, but became a convert to Shia doctrines. He pointed out to the Moin-ul-Ghuruba, a minor mujtehid of Meshed and an ardent Constitutional, that there was certain property in charge of Mollah Suliman from which tithes were paid to his Highness the Aga Khan, and suggested the murder of this individual and the seizure of the property, which they would divide. Last October the Moin-ul-Ghuruba sent for Mollah Suliman and other Ismailis to Meshed where an enquiry was held as to their dogma. This step was followed by the Moin-ul-Ghuruba proceeding to Dizbad, some 20 miles east of Nishapur, where he was joined by Haji Mohammad Bakir Durrudi, and also by Mohammad Husain Khan, the governor of Darrud. These worthies tortured the Ismailis and destroyed their mosque. They then proceeded to Kasimabad where they acted in a similar fashion. Hearing of this, I obtained a strong letter from the leading mujtehid, known as the Agazada, which was sent to and received by the Moin-ul-Ghuruba. I also wrote a strong letter to the Khazin-ul-Mulk, governor of Nishapur, who replied that he had settled the matter.

4. Mollah Suliman, Mollah Husain Ali, and three other leading Ismailis were taken to Darrud where they were sentenced to death; also the chief priest, Haji Akhund, who is safe in the British consulate-general, was condemned to death in his absence. After this the governor of Darrud and Haji Mohammad Bakir Durrudi went to Nishapur and reported the matter to the governor and to Sheikh Aga, the leading mujtehid. The latter, however, refused to have anything to do with the case. The Khazin-ul-Mulk was asked to send his executioner, but refused to do so. This is corroborated by the new chief of police, who pointed out to the governor what a serious position he was in. Indeed, what can be thought of a governor who, knowing what was happening, refused to act? There is worse to follow.

5. Haji Mohammad Bakir Durrudi then persuaded the Moin-ul-Ghuruba to allow the execution, and the men were murdered by Durrudi and their corpses treated with every obscene indignity. The governor of Nishapur was petitioned by the Ismailis to be allowed to remove the corpses, but demanded a large sum of money, which was not given. Others of the prisoners who had not escaped had to pay the governor of Nishapur for their release.

6. Subsequently, owing to strong orders from Tehran and my arrival at Nishapur, Haji Mohammad Bakir was seized and sent to Tehran. The Moin-ul-Ghuruba is still at Meshed, but I am exerting much pressure for him to follow. I may add that the Agazada has confirmed the accuracy of the above.

7. I think, Sir, that apart from the fact that the Ismailis are connected with us, the dictates of humanity demand that exemplary punishment be meted out to the two Mollahs and to the governors of Nishapur and of Darrud. This I feel sure that you will insist upon. My Russian colleague and the Persian authorities agree with me that these outrages would never have occurred had Nishapur been under Khorasan, by which province it is surrounded, and we are all addressing Tehran to remedy this state of affairs. I need hardly refer to the bank case as an instance of the great difficulty of getting the governor of Nishapur to act, and I trust both that this individual may be dismissed and that Nishapur may be restored to Khorasan. It was temporarily severed to suit the personal convenience of his Highness the Naur-ed-Dowleh, but until this anomaly be done away with it is hopeless to expect any reform in the district. My latest information shows that a reign of terror still exists, and that the Ismailis are being blackmailed and robbed, but this I hope to stop by a telegram to the governor of Nishapur that will assure them safety until the legation can take decisive action in this case, which, if published, would be a heavy blow to any prestige the new régime may have acquired.

8. A copy of this letter is being sent to the Government of India.

I have, &c.

P. M. SYKES, Major.

[1782]

No. 67.

Sir G. Barclay to Sir Edward Grey.—(Received January 17, 1910.)

(No. 223.)
Sir,

Tehran, December 30, 1909.

I HAVE the honour to acknowledge receipt of your despatch No. 154, calling for my observations on a scheme submitted to certain gentlemen for the improvement of the communications between Bunder Abbas and Kerman.

Any British scheme calculated to facilitate communications between the Gulf and the markets of Central Persia is to be welcomed, and I concur in the view that in principle the project merits the support of His Majesty's Government. At the same time, I can hold out no very confident hope that the Medjliiss will be willing to grant the concession, for there are already indications that their attitude towards foreign enterprise in Persia, especially British and Russian, will be no less hostile than was that of the last Assembly.

I notice that those interested in the present scheme merely intend for the moment to form a syndicate for the purpose of sending an engineer to make a survey. I would venture to observe that at the present moment the country to be surveyed is particularly unsafe, as the ordinary dangers of the road are aggravated by the presence of Afghan gun-runners, who are likely to be particularly vindictive this year on account of the increased severity of the measures we are taking for the suppression of the arms traffic, and the engineer selected by the syndicate would have to be accompanied by a strong escort. This the Persian Government are at present in no position to supply, and unless we are prepared to provide it ourselves and insist on its being permitted to accompany the engineer, it would perhaps be better to postpone his mission for the present.

I have, &c.

G. BARCLAY.

[1783]

No. 68.

Sir G. Barclay to Sir Edward Grey.—(Received January 17, 1910.)

(No. 224.)
Sir,

Tehran, December 31, 1909.

I HAVE the honour to transmit herewith the usual monthly summary of events in Persia for the past four weeks.

I have, &c.

G. BARCLAY.

[1704]

L

Enclosure in No. 68.

Monthly Summary of Events in Persia for Four Weeks ending December 31, 1909.

Tehran.

The Assembly.—The Ministerial programme, which was presented to the Medjliss on the 30th November, was formally agreed to at the sitting of the 7th December, when all the Cabinet Ministers attended. The Assembly, however, availed itself of the opportunity to remind the Ministers of their obligation to consult Parliament in all matters of finance.

After considerable discussion, the Assembly, on the 15th instant, decided by a vote of the majority to allow the Government mint to make contracts for the minting of silver to the value of 400,000*l.*

During the past month the Assembly has been chiefly occupied preparing new internal regulations, which were read for the third time on the 28th instant.

Secret sittings of the House have been very frequent, and it is understood that the subject discussed at these meetings has been principally concerning the pay to be allotted to the deputies. It is stated that the deputies are to receive 100 tomans (20*l.*) a-month each, and that they have in fact already drawn one month's pay.

The Press.—The Tehran press continues to attack the Russians at every available opportunity.

Financial Difficulties.—The Government applied on the 13th instant to the British and Russian Legations for a joint advance of 500,000*l.*, and is still awaiting a reply.

G. P. CHURCHILL

Tabreez.

1. His Majesty's acting consul-general returned to Tabreez from Soujboulak on the 18th December.

2. Tabreez has remained undisturbed, but fighting has taken place near Sarab between a force of tribesmen under the son of Rahim Khan and the Government troops under Sardar Assad's son and Yefraim, in which the latter are reported to have been successful.

Astarabad.

1. Our agent reports that Salar Moktader, Ilkhani, who was with the Ilghi Turkomans, was, in the middle of November, summoned by the Governor of Astarabad. He sent a message to the Russian consul asking for assurances for himself. The latter replied that he could not give assurances until he had seen the governor, but if he then failed to give them, Salar Moktader should either go to Russia or collect the Turkomans and plunder the country, in which case he would receive his (the consul's) support. A later report states that Salar Moktader died on his way to Tehran.

2. Towards the end of November two Russian officers, with Russian flags, visited the Turkoman tribes and encouraged them to plunder. The Government reported the matter to Tehran.

Meshed.

1. Major Sykes returned from a tour to Nishapur, Turshiz, and Turbat on the 29th November.

2. Five "Young Persians" from Tehran reached Meshed early in December, three of them being appointed assistant governor-general, chef de cabinet, and head of the police respectively. They at first decided on a policy of sweeping reforms, including the dismissal of the governor-general, but later they modified their views, and, adopting a moderate policy, are doing good work. In Major Sykes' opinion, if the machinery can be kept working without fresh crises for the next few months, the situation will undoubtedly improve, but it appears that Prince Dabija is determined to prevent all reforms.

3. Munsur-ul-Mulk has been dismissed from the governorship of Daragez and Nusrat-ul-Mamalik appointed in his place. The Russian consul-general has informed the governor-general that this appointment does not meet with his approval nor with that of the authorities in Transcaspia.

4. A municipal octroi has been started. A notice was sent to both consulates, in which it was announced that this was being levied as at Tehran. His Majesty's consul-general contented himself with asking whether this octroi was exactly the same in every respect as that at Tehran, but his Russian colleague gave a very harsh reply to the effect that if levied on Russian subjects he would stop it by force. Major Sykes says it is hopeless for the Russian Government to expect the Persians to view their acts with anything but mistrust and dislike so long as they continue to be represented by such officials as Prince Dabija.

Turbat-i-Haidari.

1. The following movements of Russian Cossacks are reported:—

On the 13th November seven arrived from Bunder Abbas for Russia; six of the local consular escort left on the 16th November for Pul-i-Khatun; on the 25th November six arrived from Birjand and twenty from Seistan for Russia.

2. Captain Skourratt, the Russian military attaché at Meshed, arrived here on the 3rd December.

Seistan.

1. The chief difficulty in Seistan seems to be over the revenue question. The local Foreign Office agent and the deputy-governor are pressing the Baluch sardars for last year's arrears as well as this year's dues, and the sardars are doing all they can to delay full settlement. Purdil Khan and Khudadad Khan both spoke to Major O'Connor on the subject and used threatening language with reference to the Persian officials. Major O'Connor urged them to give their loyal support to the new Government, and pointed out that the demand for revenue was just and reasonable. Major O'Connor thinks that there is no present prospect of their attempting to create any serious trouble.

2. During October 1,783 patients were treated by the hospital assistant in the hospital at Birjand.

Ispahan.

1. The town has continued quiet. The party of Kuhgeluis reported in last summary to be holding a position commanding the road at Orchini withdrew on the 3rd December, but returned on the 7th, and a band of them was engaged in indiscriminate plundering round Kumisheh. Repeated representations to Samsam-es-Sultaneh by the British and Russian consuls drew replies that forces would be sent, but there is good reason to believe that no force is likely to go, it being hoped that when snow falls the tribesmen will withdraw.

On the 12th December they were still at Orchini. On the Tehran road the post was robbed 6 miles north of Kum by Shahsavan tribesmen, all valuable parcels being carried off. A robbery was reported on the Sultanabad road. The Ahwaz road is reported safe.

2. Samsam-es-Sultaneh left Ispahan for Tehran on the 23rd December and reached Tehran on the 29th. Muntazem-ed-Dowleh officiates as governor during his absence.

Yezd.

The town continues quiet. The governor is stated to have amassed a large sum of money since his arrival, many offenders escaping punishment by the payment of money. The Kerman road continues safe, but there are still robbers on the Nain road. The Parsees, though not receiving much assistance from the governor, dread his probable departure in March, when they fear their persecution may recommence. Trade is recovering slowly from its extended period of depression. Taxes, rather more excessive than before, are being collected, and are coming in freely.

Sultanabad.

Mr. Vice-Consul Strauss reports that on the 6th November an influential resident of Ravendge, in the Mahallat district, named Aga Sadr, was murdered, as was his twelve year old son, by order of the governor. Both were shot in their house by a Caucasian, Mehdi Khan, who was accompanied by Karim Khan, the old enemy of Messrs. Ziegler's murdered agent, Ali Khan, and six of the governor's escort.

Kermanshah.

The state of the town is far from satisfactory, robberies being of frequent occurrence, Zahir-ed-Dowleh resigned the governorship at the end of November, and Nizan-es-Sultaneh was appointed in his stead, but has not yet assumed the governorship. The Bagdad road has been fairly safe, but on all other roads numerous robberies are reported. The telegraph line has been repeatedly interrupted, several miles of line having been destroyed, and much material carried away by marauding Kakawend tribesmen. Latest advices, however, show that the roads from Kermanshah are now clear.

Hamadan.

1. The agent of the Russian Bank has been appointed vice-consul, and flies the flag on his house daily.

2. Five Jews, being pressed for 16,000*l.* due by them to certain Turkish merchants of Bagdad, took refuge with the Russian agent, who sent two Cossacks to tell the local authorities that they had no business to interfere with persons under Russian protection. All five men were Persian subjects.

3. The governor of Hamadan was dismissed about the 15th December. The district was then reported quiet.

Kerman.

1. M. Petroff arrived on the 11th November with six Cossacks to relieve M. Adamoff as Russian vice-consul. The latter left on the 30th November for Yezd.

2. The town and district have remained quiet. The governor has organised a force which keeps order and has also recovered a certain amount of goods plundered from caravans. The Baluchis, who were thought to intend raiding the Narmashir district, have made no move.

Shiraz.

The governor-general maintains his authority with considerable difficulty, while the attitude of Soulet-ed-Dowleh is defiant. The Central Government has authorised the governor-general to keep part of the local revenue for the purpose of maintaining order. The roads continue disturbed.

PERSIAN GULF.*Bushire.*

1. There was some difficulty in securing a satisfactory election for the local assembly. The election was therefore postponed until Darya Begi returned from Lingah.

2. Darya Begi returned to Bushire on the 18th December.

Mohammerah.

1. The river steam-boat "Bloss Lynch" from Bussorah has been sent to work between Ahwaz and Mohammerah; the steam-launches "Ishtar" and "Malamir" are already working there.

2. At the end of October there was a good deal of disorder near Shuster. The governor seemed powerless, having no force at his disposal and no representative of any importance from the Bakhtiari khans with him. To His Majesty's consul, who visited him, he expressed himself well disposed towards British interests. He has yet to come to a satisfactory understanding with Sheikh Khazal.

Ahwaz.

1. Herr Wassmuss, the German vice-consul at Bushire, left Nasiri to visit the oil-fields without informing the Oil Company's agent, and after repeatedly assuring His Majesty's consul and other persons in Mohammerah that he had no intention of visiting the fields. He arrived at the oil-fields one morning, and met with a very cold reception from the oil-field's staff, who had been previously warned by special messenger; he was asked to show his introduction from the managing agents and his card, but was in possession of neither. He remained about three hours, saw one workshop,

but no oil-wells, and eventually returned by the same route as he had come by, "looking very disconsolate."

C. B. STOKES, Major,
Military Attaché.

[1746]

No. 69.

Sir A. Nicolson to Sir Edward Grey.—(Received January 17.)

(No. 13.)

Sir,

St. Petersburg, January 6, 1910.

I CALLED on M. Isvolsky to-day, and told him that I wished to speak to him on two or three subjects. He said that he wished first to tell me that he had read my memorandum as to the condition of affairs in the south of Persia, and he did not quite follow the reasoning of Sir G. Barclay on one point. The latter said that it was intolerable that the Russian consul-general was detained at Shiraz, and could not proceed to Bushire. I remarked that no one could well dispute the fact. His Excellency replied that he agreed; but then Sir G. Barclay went on to say that unless the Persian Government were furnished with funds, the British Government might eventually be compelled to abandon their attitude of non-intervention. He did not quite see how the two questions hung together. I said that it appeared to me to be quite simple. My Government, needless to say, were most averse from any punitive expedition, but if the present anarchy in the south continued, or got worse, they might be forced, much against their will, to intervene. The only present means of putting order into the southern districts was that the Persian Government should be in a position to dispatch a force to clear the roads, &c. At this moment the Persian Government had no funds wherewith to organise and equip such a force. It was therefore necessary to furnish them with the necessary funds, and that was what we were urging. M. Isvolsky observed that he did not believe that the Persian Government could raise a force capable of subduing the brigands. I replied that this might or might not be the case, but in any case it was fair to give them the opportunity of doing so. If they failed, and intervention unfortunately became absolutely necessary, we should not lay ourselves open to the reproach, or reproach ourselves, that we had not afforded the Persian Government every facility for re-establishing order themselves. M. Isvolsky said that he also remarked that Sir G. Barclay had stated that the defeat of Rahim Khan had given some prestige to the Persian Government. He was not himself so confident that the Persian Government had achieved such victories, and he had received no official information in regard to this. In fact, a telegram had just been received by the telegraph agency, to the effect that Ephrem had been compelled to fall back upon Sarab.

I told M. Isvolsky, that as we were on the subject of Persia, I should like to speak to him as to the question of the money advance. I said that I had mentioned to you his remark that perhaps it would be possible to conceal the fact that the Russian Government were contributing much less than His Majesty's Government. You were in accord with him that the fact if, or when known, would have a bad effect; but although we naturally would not draw attention to the point, it would be impossible, in a financial transaction of this nature, to conceal the share of each Government in the matter. It was, therefore, most desirable that the Russian Government should seek to contribute an equal share with His Majesty's Government, and perhaps he would be able to convince the Minister of Finance if he returned to the charge. M. Isvolsky seemed to be impressed with what I had said, but remarked that he would find it very difficult to get over the scruples of M. Kokovtsoff. I said I would make him another proposal which might facilitate the matter. Supposing an advance of 200,000*l.* were at once made, each Government contributing a moiety, and that later, say in a month's time, a similar amount was furnished, each Government again subscribing a moiety. I quite understood the hesitation to submit the question to the Duma, which did not re-assemble for a month; but surely the Russian Government could find during the month's interval some means, either by a banking transaction or in some other manner, to provide their share of the second advance. The question was so urgent and of such importance that it was desirable to search for every means whereby the difficulty could be turned. This proposal did not seem to be distasteful to M. Isvolsky, though he observed that he did not know what bank would furnish the funds. He would, however,

again speak to M. Kokovtsoff, I begged him to do so, as we were very anxious to have the co-equal participation of Russia.

I thought it well on my return home to write to M. Isvolsky a private letter recapitulating what I had said, so that he may have something in his hand when he confers with M. Kokovtsoff, and I expressed the hope that he would be able to give me an affirmative reply as soon as possible.

I have, &c.
A. NICOLSON.

[1748]

No. 70.

Sir A. Nicolson to Sir Edward Grey.—(Received January 17.)
(No. 16.)

Sir,
St. Petersburg, January 9, 1910.
I NOTICE in the confidential print that the question has been mooted of improving the communications between Bunder Abbas and Kerman, but that it is considered advisable not to take the project into serious contemplation if there be any probability of it precipitating the construction of the Askabad-Meshed Railway. I trust that I may be allowed to submit some observations on the latter point. I should doubt extremely, in view of more urgent requirements elsewhere and of want of available funds, that the Askabad-Meshed Railway is likely to be entertained as a serious project by the Russian Government for some time to come. When the necessity for such a line presents itself in a pressing and definite form to the Russian Government they would then without doubt undertake its construction, assuming always that they had obtained the consent of the Persian Government, that they had sufficient means, and that they had obtained the consent of the Russian Legislature. These last two conditions are pretty broad assumptions. Should the necessity appear to the Russian Government to be imperious, they would, under the Anglo-Russian convention, have a perfect right to apply for the concession and to undertake the work, if they were in a position to do so, without our having, by a strict interpretation of the convention, any *locus standi* to oppose the project either directly or indirectly. So long as the present cordial relations exist between the two Governments the Russian Cabinet would, I make no doubt, be willing to consider any friendly suggestions of His Majesty's Government that the line should be held in abeyance; but I would respectfully submit that it might not be prudent, even in present circumstances, to insist too much or too frequently on the desirability of Russia deferring the realisation of schemes within the limits of her sphere in Persia. We might be opening the door to counter-objections on her part to important projects in our own sphere, and this might be of inconvenience to us. I venture to think that it would be better not to endeavour to circumscribe the liberty of action which, under the convention, the two Powers possess in their respective spheres. As to the special question of the communication between Bunder Abbas and Kerman, I have no reason to believe that the Russian Government would view with any distrust or misgivings measures which we might consider it desirable to take for improving those communications, and I do not think that they would regard such measures as necessarily inducing them to retaliate by proceeding to the acquisition of a concession to build the Askabad-Meshed line. I admit that the above views are suppositions, but the attention of the Russian Government is directed more to the north and north-west of Persia than the north-east. A cart road from Bunder Abbas to Kerman would, I feel tolerably confident, awaken no anxiety in the mind of the Russian Government. It would be a simple matter to establish this as an undoubted fact by my mentioning the proposal to M. Isvolsky, not for the purpose of obtaining his acquiescence, but solely as a friendly mark of confidence. I could do this in an informal manner, and I might mention the subject to him as a question which His Majesty's Government were considering.

So far as I have been able to observe, there is a desire on the part of the Russian Government since the signature of the convention of 1907 to work cordially and frankly with us. Whatever may be the action and opinion of some of their subordinate agents in Persia, I have not detected a shadow of suspicion in the minds of those in authority in this capital. They are quite convinced of our loyalty, and they have shut out from their views all memories of the past, and the construction of a cart road within our own sphere would not, I believe, meet with any objections or doubts on their part.

I have, &c.
A. NICOLSON.

[1750]

No. 71.

Sir A. Nicolson to Sir Edward Grey.—(Received January 17.)
(No. 18.)

Sir,
IN accordance with the permission granted to me in your telegram No. 8 of the 7th instant, I addressed a memorandum to the Russian Government, informing them that the Persian Telegraph Administration had applied to the Indo-European Telegraph Department for the services of an employé, for a period of six months, who should prepare a budget estimate and a code of regulations. I stated that it was proposed to select Mr. New for the post, and I pointed out that the duties with which he would be entrusted would be different from those which had been indicated on a former occasion, and were indeed simply of a nature which would be to the general advantage. I therefore hoped that the Imperial Government would have no objection to offer to the nomination of Mr. New.

I received this morning a reply from the Russian Government, of which I have the honour to transmit a copy, stating that they had no objection to the proposed arrangement.

I have, &c.
A. NICOLSON.

Enclosure in No. 71.

Aide-mémoire communicated to Sir A. Nicolson by M. Isvolsky.

LE Gouvernement Impérial ne voit aucun obstacle à ce qu'un employé de l'Indo-European Telegraph Department soit mis temporairement à la disposition de l'administration des télégraphes persans pour aider à la réorganisation de cette dernière.

Le Gouvernement Impérial espère qu'avec le concours du dit employé le service des télégraphes persans, qui en effet a besoin d'une réorganisation fondamentale, sera porté à la hauteur désirable dans l'intérêt général.

Saint-Pétersbourg, le 28 décembre, 1909
(le 10 janvier, 1910).

[1755]

No. 72.

Sir A. Nicolson to Sir Edward Grey.—(Received January 17.)
(No. 23.)

Sir,
St. Petersburg, January 13, 1910.
I REMARKED to M. Isvolsky this afternoon that I had understood from M. Sazonoff that it was proposed to decide at a meeting this evening in what form and to what amount the Russian Government would participate in an advance to the Persian Government. His Excellency said that there had been some misunderstanding, as the question of the advance was not to be discussed. I said that the matter was very urgent. His Excellency replied that the Russian Government had 100,000L ready, but the difficulty was how to find an additional 100,000L. He understood that we considered that it was premature to commence negotiations for a loan. Such negotiations would occupy a considerable time, and he was of opinion that the sooner they were begun the better it would be. If they were opened it was possible they might facilitate Russia finding an additional 100,000L as a payment on account. He could promise nothing, and he could not engage himself.

I said that I was then to understand that the Russian Government would without delay furnish 100,000L down; that they wished to open up loan negotiations; and that it was just possible, if the latter were initiated, that the Russian Government could find another 100,000L. His Excellency said that such was the case, but I must clearly understand that they undertook no engagement whatever as to the second 100,000L, either to find it at all, or within a month, or by any fixed date. I said that I quite understood the attitude of the Russian Government.

It seems to me that, as the need of Persia for money seems urgent—M. Sazonoff indeed told me yesterday that the pension of the ex-Shah, due thirteen days ago, had

not yet been paid—it might be as well to content ourselves with obtaining the 100,000L down, which, with our contribution, would give the Persian Government 200,000L. It would enable the latter to do something, and would be evidence of the goodwill of both Governments. As to the conditions, I should think Sir George Barclay and M. Poklewski could be left to settle them on the spot. In regard to obtaining the second contribution from the Russian Government the prospects seem a little problematical, but not entirely hopeless, though the suggestions of M. Isvolsky to open discussions or negotiations for a loan are vague. I might perhaps, if you would so desire, ask him to define what preparatory steps towards that object he would propose should be undertaken.

I have, &c.
A. NICOLSON.

[1756]

No. 73.

Sir A. Nicolson to Sir Edward Grey.—(Received January 17.)
(No. 24.)

St. Petersburg, January 12, 1910.
M. ISVOLSKY handed to me to-day a memorandum, of which I have the honour to enclose a translation, in regard to the establishment of road guards to maintain order in the south of Persia. The consent of the Russian Government to establishing such guards, according to my reading of the memorandum, gives us a free hand as to the time at which we should communicate the proposal to the Persian Government, and as to the mode in which we should present it. There is nothing in the memorandum, as I take it, which would indicate that the Russian Government would raise any objection to Sir G. Barclay proceeding in the manner mentioned in his telegram No. 772 of the 6th November, should His Majesty's Government so desire. The only conditions in respect to road guards relate to the disposal of the surtax of 10 per cent. As the Russian Government do not intend to raise for the present the question of road guards in the north of Persia, the matter is considerably simplified. I may mention that I informed M. Isvolsky, in a private letter of the 29th December, in pursuance of the instructions in your telegram No. 1371 of the 28th December, that it would be desirable not to connect the question of British instructors organising the road guards with that of a money advance to the Persian Government, and that it would be preferable to leave the choice of such instructors to the Persian Government, subject to our approval. As the memorandum does not refer to the instructors at all, it may be assumed that we can deal with that point in the manner which may appear most desirable. At the same time, having regard to the observations in the memorandum in respect to the objection to instructors, other than British or Russian, being employed in the future "gendarmerie," or Persian army, it would seem to be advisable not to give the Persian Government any latitude in the selection of instructors for the road guards. As I hope that the Russian Government may consent to the money advance being made to the Persian Government independently of any conditions at all, beyond some system of control over the expenditure, I would submit that the road guards should be treated as a question entirely apart from any advance or loan, and simply as a measure of a more or less temporary character for the immediate restoration of security on certain trade routes.

In respect to the wider question of a "gendarmerie" and the organisation of the Persian army, the Russian Government in their memorandum are explicit, and evidently intend to insist with all strenuousness on the employment of British and Russian officers as instructors, and to make this point an essential condition to a loan. The reinforcement of the Cossack brigade as a preliminary measure seems, as far as can be judged, not necessarily to entail an increase in the number of Russian officers, but to be adopted by means of and with the assistance of the native element among the officers. This is a point on which further explanation might be requested.

I have, &c.
A. NICOLSON.

Enclosure in No. 73.

Memorandum communicated to Sir A. Nicolson by M. Isvolsky.

(Confidential.)
(Translation.)

THE Imperial Government fully share the opinion of the British Government respecting the expediency of forming road guards in Southern Persia for the purpose of securing the free and safe movement of trade caravans along the various routes. It agrees also to a temporary increase of 10 per cent. of the import dues in the Persian Gulf for a period not exceeding three years, on the condition that this supplementary revenue shall be devoted to the maintenance of the above-mentioned guards.

In view of the fact that the proposed measure mostly concerns the routes passing through the neutral zone, it appears desirable that the expenditure of the monies assigned for its realisation should be under the practical control of the local Russian and British consular representatives. Within the limits of the British sphere of influence such control of course would be reserved exclusively to the British consuls.

The aforesaid increase of customs dues could be arranged by means of an exchange of notes with the Persian Government, in which stipulation would be made for the payment of the above mentioned increase in full into the Russian or English banks, and also for placing its expenditure under the control specified.

On its part, the Imperial Government at present has not any intention of raising the question of establishing similar guards on the northern roads.

The Imperial Government does not connect the question of road guards with the questions of establishing a corps of gendarmerie and the reorganisation of the Persian army in general. The latter questions are very complicated, and will probably require some considerable time for their realisation. From information to hand, the Persian Government proposes to form a gendarmerie numbering approximately 6,000 men, and an army numbering from 25,000 to 30,000 men, and proposes to carry out recruiting for this purpose only in the spring. Meanwhile, it is impossible not to fear serious disorders precisely when spring commences in Persia. As is known, during winter all life in that country is at a standstill, especially in those localities inhabited by the nomad tribes, but as soon as the weather becomes a little warmer increased restlessness is usually noticeable among the more turbulent elements. For this reason the Persian Government in the spring should be already prepared for all eventualities. The Imperial Government is deeply convinced that there is only one way by which to realise this aim, namely, the immediate strengthening of the sole properly organised military force in Persia—the Shah's Cossack brigade. This force presents in itself a ready-made *cadre* of native officers, non-commissioned officers, and men, with the assistance of which the brigade could easily be expanded into a division or more. The necessary weapons and military supplies could be given on credit by the Russian Government, in accordance with a request of the Shah's Government received already some time ago. The Imperial Government propose in this respect that both the Powers interested in averting any grave complications in Persia should exercise serious pressure on the Persian Government in the sense indicated.

As regards the question of foreign instructors for the future Persian gendarmerie and army, the Imperial Government, fearing intrigue and foreign influences, consider it to be unquestionably desirable that the instruction of the Persian forces should be entrusted only to Russian and English officers, not only in their respective spheres of influence, but also in the neutral zone, and it proposes that in this matter both Powers should use all their influence and exhaust all means at their disposal before entering on any concessions. The most powerful lever in this connection is the question of money assistance on the part of both Powers, which is indispensable to the Persian Government. This advantageous position for Russia and England must certainly be made use of in a proper manner, since a similar favourable occasion perhaps will not quickly present itself. In the last resort, it would be possible to agree only to the admission into the Persian army of subaltern officers of other nationalities, subject in every instance to the previous assent of Russia and England, and on the condition that the chief guidance of the Persian military forces should remain in the hands of Russian and English instructors. In the opinion of the Imperial Government this principle should be upheld

also in the question of road guards, which should preferably be under English instructors in the south, as was originally the wish of the British Government.

The Imperial Government is desirous of ascertaining the opinion of the London Cabinet on the proposals embodied above.

St. Petersburg, December 30, 1909 (January 12, 1910).

[1896]

No. 74.

Sir G. Barclay to Sir Edward Grey.—(Received January 17.)

(No. 18.)

(Telegraphic.) P.

POLICING of southern roads.

In reply to your telegram No. 10 of the 13th January, I have the honour to state that I had not contemplated that the proceeds of the surcharge should be subjected to any consular control. Our scheme would be rendered more than ever unacceptable to the Persians if complicated by such control, especially if it be jointly exercised.

At Bushire the Russian Bank has no branch office.

With regard to the Board of Trade's suggestion contained in your above-mentioned telegram, if the surcharge, which, *ipso facto*, would have to be doubled, were levied only at Bushire, it would tend to divert traffic to other channels.

My scheme, however, apart from the objections to the modifications which Russian Government and Board of Trade have proposed, would be entirely unsuited to deal with the situation reported by Mr. Bill (please refer to my telegram No. 1). At any rate, therefore, until we see what steps Persian Government will take when they have received our financial assistance the scheme had better remain in abeyance. Chances of success of Persian Government would obviously be lessened by the reduction of the proposed advance from 400,000*l.* to 200,000*l.*

With reference to Sir A. Nicolson's telegram No. 13 of the 12th January, it might be possible to induce Russian Government to advance, at the present moment or in two instalments, the moiety of the larger sum if His Majesty's Government undertook to discuss the question of a loan when approached by the Persian Government. Although I understand that His Majesty's Government do not desire to facilitate such an operation at present, I believe that the time will come, if Persia is to stand independently, when assistance must be given to her in order that her present extravagant debt to the banks may be converted or extinguished.

[1955]

No. 75.

Sir G. Barclay to Sir Edward Grey.—(Received January 17.)

(No. 19.)

(Telegraphic). *En clair.*

FOLLOWING received from Bushire, No. 16:—

"Road question again most serious; Kazerun-Shiraz road forcibly closed since attack on Russian consuls. 9th December Soulet came Kazerun to confer Tehran, but negotiations punishment assailants and policing road by him failed. He then started new route across mountains via Tangistan and Jirreh to Shiraz. Chamber Commerce and big Persian merchants strongly oppose this route, being little known track across mountains peopled Kashgai tribes, remote from telegraph line, no caravanserais, goods exposed damage by water. Soulet has no direct authority Tangistan. Past month Kashgais turned back caravans from Kazerun to Shiraz, but Bushire merchants sent over 1,000 loads relays to Kazerun. Ziegler's, having 200 loads there, cannot transport by official or other route; ask assistance. Recently Soulet ordered chief Tangistan stop everything going even to Borasjun by official route. Quarrel impending between khans of different routes near Bushire."

[1959]

No. 76.

Sir G. Barclay to Sir Edward Grey.—(Received January 17.)

(No. 20.)

(Telegraphic.) P.

BUSHIRE-SHIRAZ road.

I have received the following telegram, No. 17, dated the 16th January, from His Majesty's acting consul-general at Bushire:—

"My immediately preceding telegram.

"Soulet-ed-Dowleh, incensed at Government's refusal to grant his demands for safeguarding of official route, has simply entered Jirreh road in order to seize control between Bushire and Shiraz. The road is unsuitable, and its selection disagreeable to all.

"Insurance will probably be refused by underwriters on goods on this route, and consuls have been notified by Fars Government that it will not be recognised officially. Hence owners would have to bear entire losses. It would be imprudent at the present moment for Europeans to travel between Shiraz and Bushire, and the failure of goods to reach the former town has dealt a very severe blow at trade, by which British firms are the principal sufferers.

"I beg that this situation may be laid before His Majesty's Government and question of safeguarding of the road expedited."

[1960]

No. 77.

Sir G. Barclay to Sir Edward Grey.—(Received January 17.)

(No. 21.)

(Telegraphic.) P.

BUSHIRE-SHIRAZ road.

Please refer to my immediately preceding telegrams. The far-reaching Russian proposals contained in Sir A. Nicolson's telegram No. 12 for the training of the army and gendarmerie by English and Russian officers, which would be regarded here as tantamount to the partition of the country, make it more than ever desirable that, until Persia has been given the opportunity to restore order independently, intervention should be avoided even at considerable prejudice to our trade. If she is successful, Russia's case for imposing her officers would be greatly weakened.

Prompt financial assistance on our part can alone give Persia this opportunity, and I believe the chance of success is weakened by each day's delay.

[1598]

No. 78.

Sir Edward Grey to Sir G. Barclay.

(No. 13.)

(Telegraphic.) P.

Foreign Office, January 17, 1910.

ADVANCE to Persian Government.

His Majesty's Government will be very glad if M. Poklewski can induce his Government to consent to an advance of 400,000*l.* in two instalments. At present, as shown by St. Petersburg telegram No. 13 of the 12th January, they have not done so, and we can do no more.

So long as you think that five Persians is not an excessive number, the proposed composition of the commission has my approval.

The gendarmerie should be made a condition, and I trust that your colleague may be able to bring his Government over to this view. On this point, see St. Petersburg telegram No. 12 of the 12th January.

With regard to railways, His Majesty's Government are prepared to agree to some condition calculated to safeguard our position on general lines, but in view of the urgent necessity of the advance, and considering that our exchange of views with the India Office is still in progress, we had contemplated deferring the formulation of our demands on this point until later.

The Persian Government might, perhaps, undertake to consult with the two Governments before granting a railway concession to any third Power. The decision as to what railways affect our interests must not be left to the Persian Government.

For reference, see your telegram No. 15 of the 14th January.

[1525]

No. 79.

Sir Edward Grey to Sir G. Barclay.

(No. 4.)

Sir,

WITH reference to my despatch No. 145 of the 23rd October last relative to financial arrangements connected with the Central Persia telegraph line, I transmit to you herewith copies of correspondence with the India Office on the subject of the accounts of the expenditure incurred in its construction.*

I have to request you to present these accounts to the Persian Government for acceptance, with the necessary explanations.

I am, &c.
E. GREY.

[1402]

No. 80.

Foreign Office to India Office.

Sir,

WITH reference to my letter of the 8th instant, relative to the survey of part of South-Western Persia which the Anglo-Persian Oil Company propose to undertake with the assistance of an officer of the Indian Survey Department, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a letter from the company asking that, if no reply has been received to the telegram addressed to the Government of India on the 31st ultimo, relative to the terms of employment of Mr. Scott, a further telegram may be sent to them enquiring when he will sail for Persia.†

I am to request that, should Viscount Morley see no objection, steps may be taken to comply with the wish of the company with as little delay as possible.

I am, &c.
LOUIS MALLET.

[1424]

No. 81.

Foreign Office to Anglo-Persian Oil Company.

Sir,

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 12th instant relative to the survey of a part of South-Western Persia which your company desire to carry out with the assistance of an officer of the Indian Survey Department.

I am to inform you in reply that, in accordance with your wish, Sir E. Grey has caused a letter to be addressed to the India Office requesting that, if no reply has yet been received from the Government of India to the telegram of the 31st ultimo mentioned by you, a further telegram may be addressed to them enquiring whether Mr. Scott has accepted your company's offer, and, if so, when he will sail for Persia.

I have, &c.
LOUIS MALLET.

* India Office, November 10, 1909; and No. 59.

† No. 55.

[1991]

No. 82.

Sir A. Hardinge to Sir Edward Grey.—(Received January 18.)

(No. 12. Confidential.)

Sir,

Brussels, January 16, 1910.

THE Mofakhem-es-Sultaneh, Persian Minister at this court, came to see me yesterday, and adverted to the message which Earl Granville had given to him, in accordance with your despatch No. 64 of the 21st October last, respecting the reception in London of the Saad-ed-Dowleh. He asked that no allusion should appear in any White Book which might eventually be published respecting Persian affairs to the communication which I had made to you at his request, or to his own connection with it, saying that he had mentioned Saad-ed-Dowleh's desire to see you merely because the exiled statesman was his cousin, and in no way from sympathy with his political views or his attitude towards the present régime at Tehran. I said I would at once inform you of the wish expressed by him in this respect. He told me that Saad-ed-Dowleh had not yet visited London, and was at present residing in Paris.

I have, &c.

ARTHUR H. HARDINGE.

[2011]

No. 83.

Sir G. Barclay to Sir Edward Grey.—(Received January 18.)

(No. 22.)

(Telegraphic.) P.

Tehran, January 18, 1910.

ADVANCE to Persian Government.

Please refer to your telegram No. 18 to Sir A. Nicolson of the 13th January.

M. Poklewsky having received his instructions, we shall discuss this afternoon conditions for the joint advance.

[2090]

No. 84.

Sir G. Barclay to Sir Edward Grey.—(Received January 18.)

(No. 23.)

(Telegraphic.) P.

Tehran, January 18, 1910.

ADVANCE to Persian Government.

My Russian colleague and I have agreed, in the event of a joint advance of 400,000L, to attach the following six conditions. If our offer is restricted to 200,000L, I have informed M. Poklewski that I can only consent to the first two. He realises that to load the smaller advance with all the six conditions would be useless, and is advising his Government to advance a moiety of the larger sum:—

For conditions 1 and 2 please refer to my telegram No. 15 of the 14th January.

3. Acceptance of the programme of expenditure to be rendered conditional on provision being made for the formation of an adequate gendarmerie or road guards who can maintain order on the trade routes, and on an undertaking from the Persian Government that foreign instructors of whom the two Powers have previously approved shall, in due course, be engaged. The consent of the two Powers must, it is understood, be obtained before any foreign teachers for any Persian force shall be engaged.

4. Persia to acknowledge the preferential right of the two Powers, upon terms equally favourable to those offered by third parties, to construct any railways in Persia in which they are interested, exception being made in the case of a concession tendered for by a Persian to be constructed and exploited exclusively by Persian funds.

5. The concession for the navigation of Lake Urumia to be granted by Persian Government to the Tabreez Road Company.

6. The present advance to be made a first charge on the larger loan for which the Persian Government have already asked, and, in the event of that operation falling through, both principal and interest to be secured on the profits of the mint, and to be repaid in ten annual instalments, plus 6 per cent. interest.

[1704]

O

M. Poklewski suspects the Germans of having obtained the concession for the Khanekin Railway two years ago, and he has suggested wording of condition 4 above, which he believes will oblige the Persian Government to divulge this, if true.

Condition 6 was also drawn up by my Russian colleague. I see no objection to it. Persian Government have not, to speak accurately, asked for the more important loan, but they have repeatedly informed us that it was necessary. I did not purposely specify the date for the engagement of foreign instructors for fear lest, if it is made a condition precedent to the advance, negotiations would be wrecked by Russian demand for the engagement of Russian instructors.

[2087] No. 85.

Sir A. Nicolson to Sir Edward Grey.—(Received January 18.)
(No. 17.)

(Telegraphic.) R. *St. Petersburg, January 18, 1910.*

YOUR telegram No. 18 [of 13th January: Advance to Persian Government].

Minister for Foreign Affairs writes to me that Russian Minister at Tehran has received necessary instructions as to first advance, and has been instructed to concert with Sir G. Barclay as to conditions and system of control. He has been told to submit to his Government, for their opinion, any agreement he may arrive at with Sir G. Barclay.

[2156] No. 86.

Messrs. Ellinger and Co. to Foreign Office.—(Received January 19.)

Sir, 28, Oxford Street, Manchester, January 18, 1910. REFERRING to your letter of the 7th December, we beg to enclose herewith copy of letter we are dispatching to Sir George Barclay, acquainting him with the fact that we have chartered the steam-ship "Cliftonian" to load 5,000-5,500 tons oxide at Ormuz, commencing about the end of January.

We are, &c.
ELLINGER AND CO.

Enclosure in No. 86.

Messrs. Ellinger and Co. to Sir G. Barclay.

Sir, 28, Oxford Street, Manchester, January 18, 1910. REFERRING to our letter of the 8th December, we beg to advise you that we have chartered the steam-ship "Cliftonian" to load 5,000-5,500 tons of oxide at Ormuz, commencing at the end of this month. We are not cabling you this information as our letter will reach you, we anticipate, before the steamer arrives at the Island of Ormuz.

We are, &c.
ELLINGER AND CO.

[2094] No. 87.

Sir G. Barclay to Sir Edward Grey.—(Received January 19.)

(No. 24.) (Telegraphic.) P. *Tehran, January 19, 1910.*

ADVANCE to Persian Government.

In continuation of my telegram No. 23 of the 18th January, I would add that I gave my consent to the inclusion in the proposed conditions for joint advance of condition No. 5 because there seems real danger of the Urumia Lake concession falling into the hands of a group of Persians with German support behind them.

[2179]

No. 88.

Sir A. Nicolson to Sir Edward Grey.—(Received January 19.)

(No. 19.) (Telegraphic.) P.

St. Petersburg, January 19, 1910

PROPOSED advance to Persian Government.

Sir G. Barclay's telegram No. 23 of the 18th January.

It is greatly to be desired that M. Poklewsky should bring all possible pressure to bear upon his Government in order to induce them to put down within a reasonable time the second portion of the advance. Further action here on my part does not seem likely to have much effect, and it is possible that the concession for the navigation of the Urumia Lake might be successfully utilised as a lever from Tehran if it could be shown that generosity in the matter of money assistance constituted the sole hope of obtaining this concession. The difficulty lies with the Minister of Finance, not with M. Isvolsky, who is well disposed.

I should prefer that my name should not be mentioned in connection with the suggestions contained in this telegram.

[2161]

No. 89.

Sir Edward Grey to Sir F. Bertie.

(No. 31.) Sir,

Foreign Office, January 19, 1910.

THE French Ambassador told Sir C. Hardinge on the 13th instant that the French had developed a considerable trade in sugar at the port of Mohammerah, and that his Government proposed to appoint a consular agent there.

His Excellency added that, in view of the importance of British interests at Mohammerah, he had thought it best to announce to His Majesty's Government the intention of the French Government.

Sir C. Hardinge thanked M. Cambon for his courtesy in informing him.

I am &c.

E. GREY.

[46604]

No. 90.

Foreign Office to India Office.

Sir,

Foreign Office, January 19, 1910.

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 23rd ultimo, containing observations on the proposal that His Majesty's and the Russian Governments should lose no time in approaching the Persian Government with a view to obtain the right eventually to construct certain railways in Persia as a condition of the loan for which the Persian Government have asked.

This letter dwells on the disadvantage to which Great Britain would be exposed, in the case of the Julfa-Mohammerah line, in settling the question of rates, if the negotiations on that point are conducted on a basis which commits His Majesty's Government in advance to the construction of the line, and on the further grave inconvenience that it will be in the power of the Russian Government (whose financial resources are a matter of conjecture only) to dictate the moment at which British capital shall be forthcoming (to an unknown amount) for the construction of the southern section.

In Sir E. Grey's view, an application to the Persian Government to earmark this line, would not commit the British Government to construction at the dictation of the Russian Government. It is assumed from the Russian desire to apply for railway concessions, that the Russian Government will in any case insist on the reservation to themselves of the northern portion of the Julfa-Mohammerah line.

If His Majesty's Government refrain from earmarking the southern portion, it will not prevent the commencement of the northern half of the line, and if they obtained the right to construct the line when convenient to themselves, they would not be forced to construct at Russia's dictation. It would be greatly to the interest of Russia that the southern part should not be constructed.

Sir E. Grey considers it extremely important to secure the option of constructing

the southern portion which would pass through a region where British enterprise has already secured a firm foot-hold, otherwise some other Power will certainly apply for it.

He sincerely hopes that this explanation will remove Lord Morley's objections.

As regards the question of funds, I am to observe that the sum necessary for the construction of this line would be so large that there could hardly be any question of providing it from Government sources, either Imperial or Indian, and that it would presumably have to be raised by a loan in the open market with or without a Government guarantee.

It is stated that even if the contemplated application were granted by the Persian Government there would be no guarantee that the concession would not, nevertheless, be given to a third Power should the concessionnaires prove unable or unwilling to begin construction when called on at any moment to do so.

To this objection it may be answered that, as has already been pointed out in the letter of the 17th ultimo from this office, the mere fact that an application of the nature indicated had been made by His Majesty's and the Russian Governments would go far to discourage the interference of other Powers, and no friendly Power would press for a concession already granted.

Neglecting for the moment those passages in your letter which relate to the junction of the Indian and Russian railway systems, I am to advert to your observations regarding the three lines which it is proposed to construct in the south which, it is feared, may lead the Russian Government to undertake the construction of similar lines, of which the suggested direction is so far unknown, in the north.

On this point I am to observe that, as the Russian Government attach great importance to the question of railway construction in Persia, it is unlikely that they will defer the undertaking until convenient to His Majesty's Government. There is therefore nothing to be gained by abandoning the request for the right to construct lines in the south. As for the direction of the proposed lines in the Russian sphere, it cannot fail to be revealed in the next communication received from the Russian Government on this subject, and should a line from Askabad to Meshed prove to be one of those contemplated, it will be the business of His Majesty's Government to endeavour to secure by force of representation the postponement of the scheme in accordance with the request already made in the memorandum of the 9th October, 1908.

As regards the effect on trade of the construction of these lines, Sir E. Grey is not of course in a position to dispute the conclusion conveyed in your letter that the benefit thereby conferred on India in this respect would be but small. He would have thought, however, that as India is nearer to the Persian Gulf than either Russia, Germany, or Great Britain, Indian trade, being already to a considerable extent in possession of the market, and profiting by the already subsidised line of the British India Steam-ship Company, might be able to hold its own even against foreign subsidised lines of steamers. On the other hand, it is indisputable that the greater the volume of trade in general that is attracted to the Gulf by these lines the greater the benefit to Persia, and the consequent demand for further commerce which cannot fail to react favourably on India if efforts are made to keep at least a fair share of this trade in Indian hands.

It is suggested as an alternative to the proposed demand for the right to construct these railways that an endeavour should be made to induce the Russian Government to join in asking the Persian Government to extend for a term of years the "sterilising" arrangement now in force which, it is urged, would be more effective in preventing other Powers from obtaining such concessions than would be the plan now under consideration.

Sir E. Grey does not dispute the superior effectiveness of such a course in itself, but he considers that it is in fact impracticable since he is both convinced that the Russian Government would never consent to it, and that the Persian Government and Assembly would not be willing to renounce the great benefits which railway construction must confer on the country not only by developing its resources and increasing its wealth, but by facilitating the maintenance of order by extending the power of the central administration. Sir E. Grey himself feels at the same time that it is impossible, even if it were desirable, indefinitely to retard the development of Persia by means of railway construction, and that it would be difficult for Great Britain to pursue a policy in Persia which would be regarded as reactionary and opposed to the spread of civilisation and progressive development which have invariably been associated with British enterprise in its penetration into distant and semi-civilised countries.

It is not clear to Sir E. Grey in this connection what arrangements with regard

to the Bagdad Railway could be made with Russia which would be of a nature to remove the necessity which she now feels for railway expansion in Persia.

As regards the fear expressed in your letter that Russia may admit Germany to the neutral zone in Persia as compensation for assurances given as to the Bagdad Railway, I am to recall the fact, of which Lord Morley is already aware, that, so long ago as the 26th November, Sir E. Grey in his telegram No. 1343 instructed His Majesty's Ambassador at St. Petersburg to warn the Russian Minister for Foreign Affairs that His Majesty's Government could hardly remain indifferent in such an event. I am to add that Sir A. Nicolson has since reported that he conveyed this warning to M. Isvolsky, and that his Excellency, in reply, has promised to keep His Majesty's Government informed of the progress of his negotiations with Germany with regard to this question.

Sir E. Grey regards that portion of your letter which deals with the proposed junction of the Russian and Indian railway systems as by far the most important, on account of the objections therein set forth to a trans-Persian line from a strategic point of view.

Sir E. Grey's motive in making the proposal in question was based on the consideration that neglect to ask the Persian Government for the preferential right to construct the line at the time which might suit the convenience of the two Powers to do so would involve the risk that the concession might be given to a third Power. It is easy to conceive of circumstances in which this contingency might arise. For instance, in the event of Russia drawing closer to Germany as a result of a regrouping of the European Powers, the concession for a line across Persia might fall to Germany. As the Bagdad Railway progresses towards completion such a possibility cannot be disregarded.

In view, however, of the objections raised in your letter, Sir E. Grey is ready to modify the suggestion, and to propose that His Majesty's Government should inform the Russian Government that the Government of India are unwilling to consider the question of a through railway, and should ask them not to press the question.

It will not, however, be possible to prevent the Russian Government from acquiring a concession from Julfa via Tehran to the frontier of their sphere or beyond it, if they wish to do so. In Sir E. Grey's opinion, it would be safe for His Majesty's Government to earmark a line from Yezd, or a point just outside the Russian sphere to the frontier of India, so as to prevent another Power from acquiring it, or an endeavour might be made to obtain an undertaking from the Persian Government that they would give the line to no other Power.

Sir E. Grey hopes that Lord Morley will give his further consideration to the arguments contained in this letter, and would suggest that the interdepartmental conference alluded to in your letter under reply should meet at an early date.

I am, &c.

LOUIS MALLET.

Foreign Office to India Office.

Sir,

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 6th instant relative to the proposed temporary increase of the consular guard at Bunder Abbas, and to inform you, in reply, that he concurs in the view held by Viscount Morley, that the suggestion of the Government of India on the subject should be approved.

I am to add that Sir E. Grey has caused the Lords Commissioners of His Majesty's Treasury to be approached, with a view to obtain their sanction to the charge to Imperial funds of half the cost involved in the proposed step.

I am, &c.

LOUIS MALLET.

[754]

No. 92.

Foreign Office to Treasury.

Sir,

Foreign Office, January 19, 1910.
 I AM directed by Secretary Sir Edward Grey to inform you that on the 2nd instant His Majesty's Minister at Tehran reported that the Government of India had instructed the acting British consul-general at Bushire to enquire his opinion respecting the proposal for the temporary increase of the consular guard at Bunder Abbas, from a sergeant and 15 men to a native officer and 30 men. This increase was suggested to provide against the possible danger of an attack on His Majesty's consulate, the situation of which is exposed, by Afghans, of whom more than 300 were in the town engaged in the arms traffic. Sir G. Barclay added that he had concurred in the proposed temporary increase, and that he would in due course inform the Persian Minister for Foreign Affairs of the step taken.

Sir E. Grey on the 5th instant enquired of Sir G. Barclay by telegraph whether, in view of the disquieting situation produced by the pressure at Bunder Abbas of so many Afghans, he considered that the proposed increase of the guard would suffice to repel an attack on His Majesty's consulate, or whether one of His Majesty's ships, if available, should not be held in readiness to land men for its protection. He further asked whether there were in the town any Persian troops who could be relied on to perform this duty.

Sir G. Barclay reported on the 8th instant in reply to these inquiries that there were practically no Persian troops at Bunder Abbas, and that a ship could not be spared to visit that port at short intervals without disarranging the blockade instituted for the prevention of the arms traffic. The senior naval officer was, however, in communication with Jask by wireless telegraphy, and could provide a ship within twenty-four hours if appealed to. His Majesty's consul at Bunder Abbas had been instructed to have recourse to this means of obtaining help at once, should the Afghans assume a threatening attitude.

Sir G. Barclay added that thirty men would not suffice to protect His Majesty's consulate from a serious attack, but that the number had been suggested in order to provide an adequate watch at night, and to cause any more impetuous spirits among the Afghans, who might desire to incite others to attack, to refrain from doing so. Most of the Afghans were carriers and caravan traders, who would hesitate to make an attack whereby they might lose their future right to visit Bunder Abbas, through which port they do much lawful trade.

I am to transmit to you herewith copy of a letter from the India Office on this subject,* requesting Sir E. Grey's concurrence in the proposal to approve Major Trevor's suggestion, and I am to express the hope that the Lords Commissioners of His Majesty's Treasury may see their way to sanction the charge to Imperial funds of half the expense involved in the temporary increase of the guard.

I am to add that, owing to the evident urgency of the matter, Sir E. Grey felt it his duty to cause an expression of concurrence in Viscount Morley's opinion to be conveyed to the India Office in anticipation of Treasury sanction to participate in the expenditure entailed by the proposal.

I am, &c.

LOUIS MALLET.

[2228]

No. 93.

India Office to Foreign Office.—(Received January 20.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 17th January, relative to the proposed survey in Persia by the Anglo-Persian Oil Company.

India Office, January 19, 1910.

Enclosure in No. 93.

Viscount Morley to Government of India.

(Telegraphic.) P.

India Office, January 17, 1910.

OIL Company. Please refer to my telegram, dated the 31st December, 1909.

Please inform me whether Scott has accepted, and, if so, on what date he will leave for Persia.

[2376]

No. 94.

Sir A. Nicolson to Sir Edward Grey.—(Received January 21.)

(No. 34.)

Sir,

St. Petersburg, January 18, 1910.

I HAVE the honour to transmit herewith copy of a letter which I addressed to M. Isvolsky on the 14th instant respecting the conditions to be attached to an advance to the Persian Government, together with a copy of his Excellency's reply.

I have, &c.

A. NICOLSON.

Enclosure 1 in No. 94.

Sir A. Nicolson to M. Isvolsky.

Mon cher Ministre,

Saint-Pétersbourg, le 1^{er} (14) janvier, 1910.

SIR E. GREY me charge de vous prier de vouloir bien autoriser M. Poklewsky de se concerter avec Sir G. Barclay sur les conditions à poser ainsi que sur le système de contrôle à exercer quant à la première avance de 5,000,000 de francs au Gouvernement persan. Sir E. Grey est d'avis qu'il serait peut-être à désirer de poser certaines conditions, et que cette question pourrait être confiée à la décision des deux représentants.

Si vous m'autorisez à cet effet je serais heureux de télégraphier à Londres que le Gouvernement Impérial est tout disposé à faire sa partie de l'avance, c'est-à-dire, 2,500,000 fr., aussitôt que les deux représentants soient tombés d'accord sur les conditions et le contrôle et que le Gouvernement persan ait donné son consentement.

Veuillez, &c.

A. NICOLSON.

Enclosure 2 in No. 94.

M. Isvolsky to Sir A. Nicolson.

Mon cher Ambassadeur,

Saint-Pétersbourg, le 4 (17) janvier, 1910.

EN réponse à votre lettre du 1^{er} (14) courant, j'ai l'honneur de vous informer que les instructions nécessaires ont été envoyées par télégraphe à notre Ministre à Téhéran, et que M. Poklewsky a été invité de s'entendre avec Sir G. Barclay quant aux conditions à poser et au système de contrôle à exercer par rapport à l'avance à faire au Gouvernement persan. Je crois devoir ajouter que M. Poklewsky a également reçu l'ordre de communiquer à l'appréciation préalable du Gouvernement Impérial le programme qui sera élaboré de concert par lui et Sir George Barclay.

Votre sincèrement dévoué,
ISVOLSKY.

[2332]

No. 95.

India Office to Foreign Office.—(Received January 21.)

Sir,

India Office, January 20, 1910.

WITH reference to correspondence ending with Sir A. Godley's letter of the 25th June last as to the reduction of expenditure on consular establishments in Persia, I am directed to enclose copy of a letter from the Government of India, from which it

will be seen that they have agreed to the conversion of the Turbat-i-Haidari consulate into a native agency, and that proposals to give effect to this decision will be submitted in due course.

As regards the suggestion in paragraph 3 of the Government of India's letter, Viscount Morley agrees that it would be a desirable result if the withdrawal of the Russian quarantine cordon in North-Eastern Persia could be secured. He would be glad if the question could be raised with the Russian Government whenever Sir E. Grey considers that the circumstances are favourable to its consideration.

I am, &c.
R. RITCHIE.

Enclosure 1 in No. 95.

Government of India to Viscount Morley.

My Lord,

Fort William, December 23, 1909.

WE have the honour to refer to paragraph 4 of your Lordship's secret despatch dated the 15th June, 1909, in which, while discussing the question of reduction of expenditure on British consular establishments in Persia, you invite our opinion on the suggestion that the consulate at Turbat-i-Haidari should be reduced to the status of a native agency.

2. In deference to the opinion expressed in the Foreign Office letter dated the 20th February, 1909, a copy of which was forwarded with your despatch under reference, and in view of the present financial situation, we have decided to waive our objection to the proposed reduction of this consulate, and the consul-general at Meshed has been directed to submit detailed proposals for its conversion to a native agency.

3. The effect of these proposals, together with our observations on the other questions dealt with in your despatch, will be communicated later. In the meanwhile, we invite your Lordship's attention to the recommendation made by Major Sykes that an endeavour should be made in return for the abolition of the Turbat-i-Haidari consulate to secure the withdrawal of the Russian quarantine cordon from North-Eastern Persia. We recognise the difficulties that attend this proposal, but it is certainly desirable, if practicable, to secure the withdrawal of the cordon, and in view of the cordial relations now existing between the two Governments, an opportunity may arise of addressing the Russian Government in the matter.

We have, &c.

MINTO.
O'M. CREAGH.
J. O. MILLER.
W. L. HARVEY.
S. P. SINHA.
H. H. RISLEY.

Enclosure 2 in No. 95.

Major Sykes to Government of India.

(Extract.)

TO turn to the despatch of the Secretary of State, the position apparently is that some reduction is imperative, and, if this be so, it would seem best to reduce Turbat to a native agency. I would, however, venture to point out that, in my humble opinion, it is worth considering whether, in view of the blow to our prestige which will thereby be delivered, and of which my Russian colleague will make the fullest use, it would not be possible to try by negotiation to induce Russia to abolish her quarantine cordon. Given that Anglo-Russian relations are friendly this might surely be attempted, and, if successful, our position in Khorassan would not be affected to the same extent.

At the same time reductions are called for, and the cost of Turbat is enormous, but, before abolition, in my opinion, a strenuous effort should be made to secure the withdrawal of the illegal Russian quarantine cordon or some other equivalent.

[2329]

No. 96.

India Office to Foreign Office.—(Received January 21.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 20th January, relative to the proposed survey in Persia by the Anglo-Persian Oil Company.

India Office, January 20, 1910.

Enclosure in No. 96.

Government of India to Viscount Morley.

(Telegraphic.) P.

January 20, 1910.

OIL company's survey in Western Persia. See your telegram dated the 17th instant.

Appointment has been accepted by Scott, who, with two native surveyors, is starting immediately. Scott has been instructed to procure all equipment, tents, &c., in India, it having been ascertained by His Majesty's consul at Mohammerah that party are required to do this.

[1896]

No. 97.

Sir Edward Grey to Sir G. Barclay.

(No. 15.)

(Telegraphic.) P.

Foreign Office, January 21, 1910.

ADVANCE to Persian Government and road guards.

Please refer to your telegrams Nos. 17 and 18 of the 16th and 17th January.

At present it is impossible to promise more than 200,000l.: I cannot yet enter into any engagement with respect to a large loan. Nevertheless, I should regret the total abandonment of the conditions as to the gendarmerie and railways.

Might not some general assurance be obtained (see my preceding telegrams) with regard to railways? And would it not be possible to affirm the principle which we desire to see carried out in the case of gendarmerie?

(Confidential.)

Recently a suggestion was made by M. Isvolsky that His Majesty's Government should at once advance 200,000l., representing their full share of the joint advance. Although at the time this course appeared to me open to various objections I should now be ready to agree to it, in consideration of the great importance to our trade of the protection of the southern roads, provided that the first steps towards the organisation of road guards were at once taken—the expense to be met by the proceeds of a surtax. Such a surtax should be levied at all the Gulf ports, provided the consent of the Board of Trade can be obtained. I will endeavour to convince them of the necessity of such a measure.

I am in communication with Sir A. Nicolson with regard to the advisability of His Majesty's Government advancing their full quota.

[1896]

No. 98.

Sir Edward Grey to Sir A. Nicolson.

(No. 33.)

(Telegraphic.) P.

Foreign Office, January 21, 1910.

ADVANCE to Persian Government and road guards.

Please refer to Tehran telegram No. 18 of the 17th January.

Provided the Persian Government will give their consent to the establishment of a system of road guards and to the proposed surtax, and provided the necessity for the establishment of an efficient gendarmerie is recognised in principle, I propose to

[1704]

advance the 200,000*l.*, which represents His Majesty's Government's full quota, at once, in accordance with M. Isvolsky's suggestion.

The surtax should be imposed at all the Gulf ports if we can induce the Board of Trade to consent, as we are trying to do.

You should acquaint M. Isvolsky with the above. As regards the question of a large loan we are considering the Russian memorandum, but it will be impossible to give an immediate answer.

[2329]

No. 99.

Foreign Office to Anglo-Persian Oil Company.

Sir,

WITH reference to my letter of the 17th instant relative to the proposed survey of part of South-Western Persia, I am directed by Secretary Sir Edward Grey to inform you that on that day a telegram was addressed to the Government of India, in accordance with the wish expressed by your company, enquiring whether Mr. Scott had accepted the offer made to him, and, if so, when he would leave for Persia.

The Government of India have now replied that Mr. Scott has accepted the appointment, and that he is starting at once with two native surveyors.

His Majesty's consul at Mohammerah having ascertained that the party are required to obtain all equipment, tents, &c., from India, Mr. Scott has received instructions to act accordingly.

I am, &c.
LOUIS MALLET.

[2416]

No. 100.

Mr. Carnegie to Sir Edward Grey.—(Received January 22.)

(No. 30.)
Sir,

WITH reference to your despatch No. 246 of the 3rd June last and to previous correspondence, I have the honour to transmit to you herewith a copy of a communication from the Zil-es-Sultan, complaining of the action of the Persian Government in sending orders to the governor of Ispahan to seize three of his villages.

I shall be glad to learn what answer to return to His Royal Highness's request that His Majesty's Minister at Tehran should be instructed to concert with his Russian colleague with a view to an arrangement being come to in the matter.

I have, &c.
L. D. CARNEGIE.

Enclosure in No. 100.

Zil-es-Sultan to Sir F. Bertie.

117, Promenade des Anglais, Nice,
January 18, 1910.

Your Excellency,

I AM quite sure that your Excellency knows very well all about my returning to Persia, and I regret very much that I did not listen to the advice of the two embassies in Vienna, and returned to Persia, and I had well the results Once arrived at Resht I was seized by the revolutionaries, and was obliged to pay 20,000*l.* and a written paper for 40,000*l.*, and of course I was obliged, as my life was in danger. Now I am receiving a telegram from Ispahan telling me that from Tehran orders have been sent to the governor of Ispahan to take possession of three of my villages, worth about 100,000*l.*; and from the other side my family must live upon these lands. Your legation has shown me during years and years their best friendship, and in such a time I ask your Excellency to be good enough to do something for me, and ask your Government to give orders, if possible, to your Minister in Tehran to arrange this matter with the Russian Minister; and in the name of humanity I ask of you justice, as I have also written to the Russian Ambassador in Paris. I am in Europe

quite powerless, and I ask your help, and hope that you will not refuse to do anything you can for me. I want only justice, and nothing more; and hoping that your Excellency will do his best in the matter, I ask you to believe me your most sincere friend.

ZELLE SULTAN.

[2722]

No. 101.

M. Isvolsky to Count Benckendorff.—(Communicated to Foreign Office January 22, 1910.)

(Confidentiel.)

D'ORDRE de son Gouvernement, l'Ambassadeur d'Allemagne m'a informé que, d'après des renseignements parvenus à la Légation d'Allemagne à Téhéran, la Russie et l'Angleterre seraient convenus de permettre l'admission au service persan en qualité de conseillers, en outre de leurs propres sujets, des Français. Le Comte de Pourtalès a été chargé de déclarer à cette occasion que le Gouvernement allemand était prêt à reconnaître la situation privilégiée de la Russie et de l'Angleterre en Perse, mais qu'il insistait en même temps pour que les sujets d'une tierce Puissance n'y jouissent pas de priviléges particuliers par rapport aux sujets allemands.

J'ai répondu que je ne manquerais pas de me renseigner sur la position exacte de la question et que je rendrais réponse ensuite à l'Ambassadeur.

Mais, avant de poursuivre mes explications avec lui, je trouve indispensable d'établir une communauté de vues à ce sujet avec le Cabinet de Londres, auprès duquel une démarche analogue aura probablement été faite. Veuillez, donc, vous informer de l'avis de Sir Edward Grey au sujet de la réponse à donner. D'après nous, il y aurait lieu de déclarer ce qui suit :

" La démarche en question doit avoir été motivée par l'intention du Gouvernement persan d'adjoindre à M. Bizot des collaborateurs français. Cette question a été posée déjà en janvier 1909, quand le Gouvernement du Schah, en dehors de la Russie et de l'Angleterre, s'est adressé directement au Gouvernement français afin d'en obtenir l'autorisation d'engager des Français comme adjoints du susdit conseiller financier. Consultées à ce sujet par le Gouvernement de la République, la Russie et l'Angleterre, trouvant tout naturel que le fonctionnaire en question voulût prendre ses collaborateurs parmi ses compatriotes, déclareraient ne pas avoir d'objections à ce qu'il fût donné suite au désir du Gouvernement persan.

" C'est évidemment de cette mesure, décidée antérieurement, qu'il s'agit actuellement. La question de l'admission au service persan d'autres étrangers quelconques n'a pas été posée jusqu'ici, de même qu'il n'a jamais été question entre la Russie et l'Angleterre de l'accord cité dans la communication du Comte de Pourtalès, et d'après lequel seuls les Français seraient admis comme conseillers.

" Prenant note avec satisfaction de la confirmation par le Gouvernement allemand de la situation politique privilégiée de la Russie et de l'Angleterre en Perse, nous pouvons déclarer en réponse que, au cas où se poserait la question de la nomination de conseillers étrangers autres que russes ou anglais, nous ne comptions établir en faveur d'aucune tierce Puissance le privilège de nommer ses sujets aux postes en question.

" Cependant, considérant, d'une part, que la question de la nomination de ces conseillers doit être reconnue comme étant d'ordre politique, puisqu'elle a trait à l'organisation administrative du pays, et que, d'autre part, la Russie et l'Angleterre se trouvent être les seuls créanciers de ce pays (et pour une somme considérable), ces deux Puissances sont assurément fondées d'exiger que la nomination des conseillers par le Gouvernement persan ne se fasse qu'après une entente préalable avec elles."

[2472]

No. 102.

Sir G. Barclay to Sir Edward Grey.—(Received January 22.)

(No. 25.)
(Telegraphic.) P.

Tehran, January 22, 1910.

POLICING of southern roads.

Please refer to your telegram No. 15 of the 21st January and to my telegram No. 18 of the 17th January.

Until more orderly conditions prevail in the province of Fars it would, I still think,

be useless to attempt to carry out our scheme of road guards for the policing of the Ispahan-Bushire road.

Pending the result at St Petersburg of the Russian Minister's recommendation with regard to the larger advance (see my telegram No. 23 of the 18th January), I defer answering your enquiry.

[2530]

No. 103.

Sir G. Barclay to Sir Edward Grey.—(Received January 22.)

(No. 26.)

(Telegraphic.) P.

EASTERN AZERBAIJAN.

In continuation of my telegram No. 13 of the 12th January, I have the honour to report that Russian detachments which were sent to reconnoitre round Ahar have left. Their visit seems to have been unattended by any disturbance. Instructions have been sent to the Caucasus authorities to refrain in future from moving, without consent of the agents of the Foreign Office, even small bodies of Russian troops.

Further successes have been gained by Government troops, and M. Poklewski informs me confidentially that Rahim Khan has appealed for protection to both Russian and Turkish consuls-general, so he is evidently hard pressed. Protection is said to have been refused, but there is evidence that Turkish consul-general is intriguing with him, and representations have been made here on the plea of humanity by Turkish Ambassador on rebel chief's behalf.

Minister for Foreign Affairs has asked M. Poklewski to refuse to allow Rahim Khan to take bast at his consulate-general in Tabreez, and he has replied that, unless another Power extends its protection to Rahim Khan, Russia will not depart from her attitude of neutrality, but in the event of the above contingency Russia will take such steps as she may deem advisable.

[2531]

No. 104.

Sir G. Barclay to Sir Edward Grey.—(Received January 23.)

(No. 27.)

(Telegraphic.) P.

Tehran, January 23, 1910.

I HAVE received the following telegram from His Majesty's acting consul-general at Tabreez :

"Enver Bey, the newly-appointed consul-general of the Porte at Tabreez, is intriguing with the Karadagh khans. He is employing as intermediary a certain Jemil Bey, who is at present with Rahim Khan, and is said to be a member of the Committee of Union and Progress. Enver Bey denies any responsibility for Jemil, who, he declares, is a bad character, but it is evident that the two are co-operating.

"One of the above-mentioned khans applied for amnesty to Governor-General a few weeks ago through Enver Bey. He was given written guarantees signed by Governor-General and by Turkish consul-general, notwithstanding which he has continued in arms. Turkish consul-general received a few days ago a petition from Rahim Khan and a number of Karadagh khans asking for Turkish protection and pledging themselves to make peace with the Government if it were granted them. A telegram for transmission to the Sultan was also adjoined. Enver Bey approached Governor-General, but this time latter refused his mediation. Russian consul-general thereupon asked the Governor-General and his Turkish colleague for explanations. The former apparently expressed regret for his blunder; the latter gave assurances not to extend Ottoman protection, without instructions from his Government, to the Karadagh khans.

"My Russian colleague has received a letter from Rahim Khan, in which he demands Russian protection, and threatens, if it is refused him, to accept the Turkish protection proffered. The connection between Jemil Bey and Turkish consul-general is evidenced by certain passages in the letter which I have seen.

"Such interference on the part of the Turks is harmful to Persia as well as to Russia, for Russia may be thereby driven to abandon her attitude of neutrality in the Karadagh district.

"It is highly desirable that Turkish consul-general should be severely and promptly

reprimanded; otherwise he will follow in the footsteps of Mahomet Ali Bey, and complications similar to those of June last may be caused by his intrigues. A warning at the beginning of his career in Tabreez would deter him from pursuing such a policy."

M. Poklewski and I are urging the Turkish Ambassador to instruct Enver Bey to desist from interfering in the affairs of Azerbaijan and to cease relations with Karadagh khans.

[2518]

No. 105.

Sir G. Barclay to Sir Edward Grey.—(Received January 23.)

(No. 28.)

(Telegraphic.) P.

Tehran, January 23, 1910.

BUSHIRE-SHIRAZ road.

In continuation of my telegrams Nos. 19 and 20 of the 17th January.

The refusal of Governor of Fars to declare on which route responsibility will be accepted by Persian Government, and the consequent probability that losses will be repudiated by the Government, have practically brought traffic to a standstill between Bushire and Shiraz.

This state of things cannot, I am warning Persian Government, be allowed to continue, and I am insisting that they should announce for which road they will formally accept responsibility.

[2515]

No. 106.

Sir A. Nicolson to Sir Edward Grey.—(Received January 23.)

(No. 22.)

(Telegraphic.) P.

St. Petersburg, January 23, 1910.

AFFAIRS of Persia

Count Benckendorff has been instructed to show you a communication made to M. Isvolsky by the German Ambassador here on the subject of the engagement by the Persian Government of advisers other than British or Russian. Count Benckendorff is also to show you the draft of a reply which M. Isvolsky proposes to make to this communication. I told M. Isvolsky that I did not know whether the German Government had made a similar communication to you. The German communication recognises that Russia and England hold a special position in Persia, and this seems to have pleased M. Isvolsky.

[2529]

No. 107.

Sir A. Nicolson to Sir Edward Grey.—(Received January 23.)

(No. 23.)

(Telegraphic.) P.

St. Petersburg, January 23, 1910.

YOUR telegram No. 33 of the 21st January.

Proposed advance to Persia. At an interview which I had yesterday with M. Isvolsky I told his Excellency that you proposed to follow his suggestion and make an immediate advance of the full quota to be contributed by His Majesty's Government. M. Isvolsky said that, in throwing out the suggestion, he had been animated by the hope that the fact that the contributions to be made by the two countries differed in amount might be kept secret. Moreover, the question had undergone some change since he made his suggestion. M. Isvolsky is quite right in his recollection of what took place, and I had informed him (in accordance with the terms of your telegram No. 3) that it would be most difficult to prevent the fact that the contributions varied in amount leaking out. On my urging M. Isvolsky to join with us and advance the full amount of 400,000L, his Excellency said that his Government might be able to do this if the Persian Government could be induced to request the two Governments to supply a large loan later on. To this I replied that his memorandum on the proposed large loan was being considered by His Majesty's Government, but that time was required for its consideration. He did not expect His Majesty's Government, he said, to go into all the details at once, but if a request for a loan were made by the Persian

Government, this, he thought, might enable his Government to advance the full amount as a preliminary instalment of the eventual loan. Such advance, however, could only be made on conditions. He would have some observations to make on one or two of the six conditions already proposed.

I then went back to the question of Great Britain advancing her full quota without further delay. I pointed out that our trade in the south was practically blocked, and that we were therefore anxious to furnish the Persian Government with as large a sum as possible in order to give them a chance of clearing the southern roads. M. Isvolsky on his side, urged that the two Governments should do their utmost to induce the Persian Government to make a formal request for a loan. He gave me to understand that if this request were made, then Russia would be able in all probability to come forward with her full quota of the preliminary advance.

The situation may be summarised as follows:—

1. The suggestion put forward originally by M. Isvolsky—that we should put down our share of the advance in full at once—is now abandoned. It looks, moreover, as if such action on our part would not be viewed favourably by M. Isvolsky.

2. If the Persian Government send in a formal request for a loan, then the Russian Government would be prepared to pay their full share of the advance, but only under conditions which might not prove acceptable to the Persian Government.

If, with a view to opening the trade routes in the south, you would wish to insist on our making our full share of the advance now, I would tell M. Isvolsky that His Majesty's Government considered it imperative to take this course.

M. Poklewski's recommendations that a larger advance should be made have now reached M. Isvolsky, but it is evident that, save in the circumstances indicated above, the Russian Government will not go so far.

[2758]

No. 108.

Memorandum communicated by Count Benckendorff January 24, 1910.

EN présence de l'impossibilité d'obtenir du Gouvernement persan les conditions désirables au cas d'une avance de 5,000,000 de francs, nous serions, à la rigueur, disposés à consentir à une avance de 10,000,000 de francs, à la condition que la Perse demande formellement dès maintenant notre concours pour la conclusion d'un emprunt plus considérable, ainsi qu'il était exposé de façon circonstanciée dans l'aide-mémoire du 23 décembre (5 janvier) remis à Sir Arthur Nicolson et auquel le Gouvernement britannique n'a pas encore fait parvenir de réponse déterminée.

La nécessité d'un emprunt considérable est reconnue par les Ministres des deux Puissances à Téhéran, ainsi qu'il résulte des rapports de M. Poklewski.

Quant aux Persans, en présence de leur pressant besoin d'argent, ils accepteront probablement cette combinaison, si elle est déclarée positivement comme une condition indispensable pour une avance de fonds.

Pour ce qui est du programme élaboré conjointement par les Ministres des deux Puissances concernant les conditions de cette avance, le Gouvernement Impérial croit devoir faire les observations suivantes:—

1. Le Gouvernement Impérial croit pouvoir renoncer à insister sur l'inclusion dans la Commission de Contrôle des directeurs des deux banques—russe et anglaise.

2. Le Gouvernement Impérial ne peut considérer comme satisfaisante la rédaction projetée du point 3, concernant les instructeurs étrangers pour l'armée persane, et croit indispensable d'insister sur le point de vue exposé précédemment, d'après lequel les fonctions d'instructeurs seraient réservées exclusivement aux sujets des deux Puissances ; des sujets d'autres Puissances pourraient, à la rigueur, être admis en qualité d'officiers subalternes avec l'agrément des deux Puissances, mais la haute direction des forces persanes devrait demeurer aux mains des instructeurs russes et anglais.

3. L'autorisation absolue aux sujets persans de construire des voies ferrées avec leurs propres capitaux présente des dangers, car il serait difficile de prévenir la formation fictive de compagnies persanes qui opéreraient avec des capitaux étrangers, au détriment des intérêts russes et anglais. Afin de parer à pareille situation, il y aurait lieu de subordonner autant que possible la construction de toute voie ferrée en Perse à un accord préalable avec les deux Puissances.

4. Le Gouvernement Impérial trouve désirable que le terme de l'amortissement de l'avance soit réduit à cinq ans, et que toutes les petites dettes à courte échéance du Gouvernement persan à la Banque russe soient consolidées et dûment pourvues de garanties.

*Ambassade Impériale de Russie, Londres,
le 24 janvier, 1910.*

[2754]

No. 109.

Sir G. Barclay to Sir Edward Grey.—(Received January 24.)

(No. 29.)
(Telegraphic.) P.

Tehran, January 24, 1910.

ADVANCE to Persian Government.

I have just received a private visit from the Minister for Foreign Affairs, who begged me most earnestly to expedite the advance, and present the Persian Government with terms which the Medjliiss could be induced to approve. He reiterated with great emphasis the warning which he has repeatedly given me that the failure of the advance would mean the resignation of the present Cabinet and a resultant state of anarchy.

It is impossible to deny that there is some warrant for the Minister for Foreign Affairs' fears. The prestige of the victorious revolutionary leaders, Sipahdar and Sardar Assad, largely upholds such authority as the Government maintains, and I cannot but contemplate with misgiving the possibility of their resignation.

It is most desirable that a reply should be given to the application of Persian Government for the advance without further delay, and that Russia should not insist on the engagement of Russian instructors, at least as a condition precedent of the advance, for it will be impossible, I fear, to induce the Medjliiss to accept this clause.

[2898]

No. 110.

Sir G. Barclay to Sir Edward Grey.—(Received January 25.)

(No. 30.)
(Telegraphic.) P.

Tehran, January 25, 1910.

I HAVE the honour to suggest that His Majesty's consul at Ahwaz may be entrusted with the shares to which the khans are entitled in the First Exploitation Company and in the Bakhtiari Oil Company, so that he may hand them over to khans without delay.

(Confidential.)

It would strengthen the hands of His Majesty's consul if he could produce these shares in the negotiations which he hopes to begin shortly with the khans for payment of the Godar Bridge account.

We might inform oil company that it would be desirable for His Majesty's consul to deliver these shares to khans, since they have raised the question at the consulate.

(Repeated to Ahwaz.)

[2900]

No. 111.

Sir G. Barclay to Sir Edward Grey.—(Received January 25.)

(No. 31.)
(Telegraphic.) P.

Tehran, January 25, 1910.

ADVANCE to Persian Government.

Please refer to your telegram No. 15 of the 21st instant, to final paragraph of my telegram No. 25 of the 22nd instant, and to Sir A. Nicolson's telegram No. 23 of the 23rd instant.

It is to be regretted, I agree, that we should waive conditions regarding gendarmerie and railways, but in the case of an advance limited to 200,000*l.* I think the Medjliiss would be most unlikely to accept the transaction if it is loaded with more than the first two—and, of course, *mutatis mutandis*, the last—of our six conditions, the above-mentioned sum being less than half of what was asked.

If our six conditions are made more onerous, I believe also that there will be little hope of the Medjliss accepting even 400,000*l.* Although Persian Government foreshadowed an application for a larger loan when they approached us for an advance, distrust of Russia is so great that I think chances of Medjliss ratifying the present transaction would be jeopardised by a demand on our part for a formal undertaking from Persian Government to apply to us for the larger loan later.

I see no reason to doubt that Persian Government will apply spontaneously to the two Powers for the loan in due course if things go satisfactorily. The money will be needed long before 1912—the date of the expiration of the embargo on loans from a third Power.

[2901] No. 112.

Sir G. Barclay to Sir Edward Grey.—(Received January 25.)

(No. 32.)

(Telegraphic.) P.

ADVANCE to Persian Government.

M. Poklewski has informed me that duration of agreement is calculated in Persian years, and that railway embargo expires in April of this year, not in November as stated in memorandum handed to M. Isvolsky in October 1908.

I telegraph this information which you should have in connection with my telegram No. 31, which was drafted, however, with knowledge of this divergence.

[1781] No. 113.

Foreign Office to India Office.

Foreign Office, January 25, 1910.

Sir,
I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's Minister at Tehran,* relative to the judicial murder of two Ismailis at Nishapur, and the ill-treatment to which members of that sect in the same region are at present exposed at the instigation of the orthodox Mahomedan clergy.

I am to inform you that Sir E. Grey is disposed, if Viscount Morley concurs, to approve the steps which Sir G. Barclay has already taken to bring these occurrences to the notice of the Persian Government, to point out to them the deplorable effect which would be produced if the facts became known in this country, and to press for the punishment of the guilty parties.

Sir E. Grey would at the same time instruct Sir G. Barclay to inform the Persian Government that His Majesty's Government attach great importance to the punishment of the authors of these outrages.

I am, &c.

LOUIS MALLET.

[1782] No. 114.

Foreign Office to India Office.

Foreign Office, January 25, 1910.

Sir,
WITH reference to my letter of the 24th ultimo relative to a scheme submitted by a financial group connected with the Indo-European Telegraph Company for the improvement of communications between Bunder Abbas and Kerman, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's Minister at Tehran,† offering certain observations on the subject.

Viscount Morley will observe that, while Sir G. Barclay considers that the scheme merits in principle the support of His Majesty's Government, there are, in his opinion, objections to proceeding to its immediate execution, even to the extent of sending an engineer to make a survey of the ground, as proposed in Mr. Stratford Andrews' letter of the 9th November last.

I am accordingly to propose, for Lord Morley's consideration, that the last paragraph of Sir G. Barclay's despatch, beginning with the words "I notice that as far as the words ". position to supply should be communicated to Mr. Stratford Andrews, with the suggestion that the dispatch of an engineer should be postponed for the present.

In view of the present position of the question of railway construction in Persia, Sir E. Grey is disposed to omit, in the communication to be addressed to Mr. Andrews, all reference to the attitude of His Majesty's Government towards the scheme in principle.

I am, &c.

LOUIS MALLET.

[2998] No. 115.

Anglo-Persian Oil Company to Mr. Mallet.—(Received January 26.)

(Confidential.)
Sir,

Winchester House, Old Broad Street, London,
January 25, 1910.

AT the suggestion of Sir Hugh Barnes, I beg to enclose some extracts from and copies of letters which I have received recently, reporting upon a disturbance which occurred at the end of November between two sections of the Bakhtiari guards employed upon this company's oil-field at Maidan-i-Naphtun.

As the incident is now closed, I am merely sending you the above for your information, as Sir Hugh thought you might possibly like to know what occurred.

With regard to the comments made by Mr. Lloyd in his letter of the 18th December on the action of Lieutenant Ranking, I would like to remark that, since the trouble was settled without the presence of the British consul, it is evident that on this occasion the latter was quite justified in the course he followed in this particular case. But, for future guidance, in view of the possibility of similar outbreaks in the future and possibly of a more serious nature, it would be satisfactory if some rule could be laid down as to the measure of assistance which may be looked for by our British employés on the fields in the event any further similar disturbances occurring.

I have, &c.

C. GREENWAY,
Managing Director.

Enclosure 1 in No. 115.

Messrs. Lloyd, Scott. and Co. to Anglo-Persian Oil Company.

(Extract.)

Mohammerah, December 4, 1909.

Bakhtiari Guard.—We regret having to report a somewhat serious disturbance which took place at Maidan-i-Naphtun on the 26th ultimo.

Kerim, formerly one of the guard, who was dismissed by the khans some little time ago, returned to the camp on the date just mentioned accompanied by some thirty men, in order, so it is alleged, to recover a debt from the present head of the guard, by name Parviz Khan.

The result was a fight between the two parties, during which one of our guards (under Parviz Khan) was dangerously wounded.

Dr. Young is of the opinion that the man will probably not recover, in which case it is not unlikely that further trouble will ensue.

The matter was promptly referred to Lieutenant Ranking, His Britannic Majesty's consul in Ahwaz, who immediately telegraphed what had occurred to the Samsam-es-Sultaneh in Ispahan, and we trust that this will prevent a recurrence of trouble.

Messrs. Lloyd and Reynolds were due to reach the oil-fields yesterday, and will investigate the matter on their arrival there.

Since writing the above we have received a letter from Mr. Willans to the effect that the contending parties have arrived at some agreement, and that no further trouble is likely to occur, pending the decision of the khans in the matter.

The wounded man is still in a dangerous condition.

Enclosure 2 in No. 115.

Messrs. Lloyd, Scott, and Co. to Anglo-Persian Oil Company.

(Extract.)

Mohammerah, December 11, 1909.
Bakhtiari Guard.—From the enclosed copy of Mr. Lloyd's letter, dated the 4th December, to Lieutenant Ranking you will see that the trouble mentioned in our last week's note "H" has now assumed a serious character. In this connection we telegraphed you last Thursday, informing you that there was a possibility of fighting between the two sections of the guard, and that Mr. Lloyd had therefore written Lieutenant Ranking asking him to come up to the oil-fields with his escort as soon as possible. Mr. Reynolds is, as you know, also at Maidan-i-Naphtun.

Mr. Lloyd thinks that his letter to Lieutenant Ranking above referred to is sufficient to put you in full possession of the facts of the case, but he will, upon his return to Mohammerah, write you further on the subject.

As the mail closes we have received through the medium of His Britannic Majesty's consuls at Ahwaz and Mohammerah a wire from Mr. Lloyd (still at the oil-fields) to the effect that fresh Bakhtiari guards have been settled, and we have to-day telegraphed you this information at Mr. Lloyd's request.

Enclosure 3 in No. 115.

Messrs. Lloyd, Scott, and Co. to Anglo-Persian Oil Company.

(Extract.)

Mohammerah, December 18, 1909.
Bakhtiari Guards.—With reference to my telegram to you on this subject, I now beg to report as follows:—

Under the terms of the supplementary agreement with the Bakhtiari chiefs which was put through by Mr. Reynolds at the beginning of this year one responsible man was appointed head of the guards at Maidan-i-Naphtun, and the guards under him were drawn half from the followers of the Ilbeggi and half from those of the Ilkhani. The head of the guards at Marmatain being one of the Ilbeggi's section, Parviz Khan, belonging to the Ilkhani section, was appointed head of the guards at Maidan-i-Naphtun. Karim Khan, the man who has been making all the trouble, was one of the Ilbeggi's half of the guards, and he immediately commenced to make trouble by demanding the right to himself appoint the Ilbeggi's men and, in fact, to be put on the same footing as Parviz Khan.

This trouble was got over by Dr. Young ordering him to accompany him (Dr. Young) on a visit he was paying to the Bakhtiari chiefs at Malamir. On arrival Dr. Young got Karim Khan's appointment cancelled, and the latter was ordered by the chiefs not to go back to Maidan-i-Naphtun.

In spite of this order, Karim, a few months later, again attempted to return to the guard at Maidan-i-Naphtun, and again at our request the Bakhtiari chiefs ordered him to leave immediately.

Karim, however, relying on the absence of the chiefs and their consequent lack of authority, kept in the district, and was concerned in practically every trouble at the camp, including the disturbance resulting from Mr. Willans accidentally shooting a native in the leg. His latest move was to produce a forged order from one of the khans ordering his reinstatement, and when tendering this he demanded to be placed on a level with Parviz Khan, and to share in whatever profits ("dustoorie," &c.) Parviz Khan had made.

Our Mr. Willans's refusal to take Karim back. The attack on the burj, led by Karim Khan, ensued, about which we wrote you on the 4th instant.

The man who was wounded in this disturbance died on the 1st December, and the Ilbeggi's section of the guard went out in a body to bury him. The death of this man, which was attributed to a shot by Parviz Khan, turned the disturbance into a blood-feud against Parviz Khan, and as it did not seem safe to Mr. Willans to allow the Ilbeggi's guards to return he acceded to Parviz Khan's request to have them kept out. Had they returned, bloodshed would undoubtedly have ensued and consequent danger to the Europeans at the camp.

This was the position when Mr. Reynolds and I arrived at the camp.

Parviz Khan alternately vowed allegiance to death and asked to be relieved of responsibility and allowed to go. The latter we naturally refused to allow.

Karim demanded the dismissal of Parviz, one-half of the latter's profits (?), and the reinstatement of the dismissed guards, and, failing compliance, predicted an attack on the burj.

Desultory firing had been going on from the surrounding heights at the burj even before the wounded man's death. One bullet lodged close to Dr. Young, another hit the head-quarters. In view of the fact that there seemed a distinct possibility of a fight between the two sections of the guards, I addressed to Lieutenant Ranking the letter a copy of which has been already sent you. Meanwhile we endeavoured to do what was possible to smooth over the trouble until the arrival of the khans at Malamir, when their authority and presence would be sufficient to absolutely prevent any possibility of a disturbance.

Acting on a suggestion from Parviz Khan, we proposed the holding of a medjliß (or punchayet) to the contending parties, and after some delay this was held on the 8th December. Fortunately, while the medjliß, consisting of six elders on each side, was being held, two orders were received by Parviz from the khans: one addressed to himself confirming his actions and directing him to remain, and the other to Karim Khan severely censuring him and promising condign punishment. These letters facilitated a decision, and it was finally arranged in consideration of our allowing the Ilbeggi's guards to return, that there was to be no attack of any sort on Parviz Khan, and that Karim should immediately leave the district. The elders all signed an undertaking giving their personal guarantee that the above terms would be carried out, and with Parviz Khan's consent the dismissed guards were thereupon allowed to the burj.

I do not anticipate any further trouble, particularly as Mr. Reynolds will shortly be returning to the camp, and his presence there will have a quietening effect.

I enclose copy of Lieutenant Ranking's reply to my letter, from which you will see that he did not act on my suggestion that he should come up to the camp with his escort. It seems to me that a British consul should always proceed without delay to any place where the lives of British citizens may be in danger, and I consider that Lieutenant Ranking ought to have come up to the camp at once. Not wishing to cause any friction with His Britannic Majesty's consul, I have said nothing to him on this point, but I will at my first interview with Major Cox on his return mention the matter to him in confidence, so that he can, should he so wish, write to His Britannic Majesty's consul at Ahwaz himself. The whole question of the guards will have to be taken up with the Bakhtiari chiefs when they arrive at Malamir, and Mr. Reynolds will visit them there. What is the best arrangement to press for is a very difficult matter to decide. Mr. Reynolds and I have discussed the matter at considerable length, and have also obtained the views of Dr. Young, but we will talk it all over again before Mr. Reynolds's visit. Mr. Ahmad Khan has not, in my opinion, been much of a success so far, but his failure has probably been due to the absence of a really authoritative person such as Mr. Reynolds at the camp. I think he will do very much better work under Mr. Reynolds, and in fact I noticed an improvement in the few days Mr. Reynolds and I were at the camp. The friction Parviz Khan and Ahmad Khan can probably not be entirely removed, but as it is pretty certain that after Mr. Reynolds interview with the khans, a new set of guards with a new chief will be appointed, Ahmad will then be able to start with a more or less clean slate.

Enclosure 4 in No. 115.

Lieutenant Ranking to Mr. Lloyd.

My dear Lloyd,

Ahwaz, December 6, 1909.
 REFERENCE your letter dated the 4th December, 1909, dealing with the subject of the troubles between the Bakhtiari guards received this morning.

As you very correctly state, any permanent settlement of the question cannot be effected till the arrival of the khans' representatives.

In the meanwhile I have taken the following steps:—

(1.) I have sent off kassids, one to Mahmud Khan, of Dalun, who is responsible for the supply of some of the guards at Maidan-Minaftum, and who is one of the dependents

of the Sardar Muhtasham, Ilbeggi; and another kassid to Khuda Karam Khan, of Kala-i-Tul, who is a dependent of the Samsam-es-Sultaneh, Ilkhani.

2. I have addressed identical notes to the above minor chiefs requesting them either to go in person, or to send some responsible agent to Maidan-Minaftun to settle the row between the two factions pending the arrival of the Ilkhani and Ilbeggi's representatives in the low country.

3. I have further informed the Ilkhani and Ilbeggi of the state of affairs at the oil-field, and requested them to take immediate steps to prevent further hostilities.

(4.) I am, moreover, in communication with Tehran on the subject.

I would remind you that I have already addressed the Ilkhani in this connection, *vide* my No. 405, dated the 28th November, 1909, as regards your suggestion that I should come up at once in person.

It is impossible for me to leave Ahwaz on the spur of the moment, but I would request you to keep me informed of the course of events at the field.

I send this by your kassid, who, I understand, is returning to the field at once.

Yours sincerely,
J. RANKING.

Enclosure 5 in No. 115.

Mr. Lloyd to Lieutenant Ranking.

My dear Ranking,

Maidan-i-Naphtun, December 4, 1909.

THE position up here with the Bakhtiari guards is serious. The man who was shot is dead, and there is now a blood feud on against Parviz. As you are aware, the guards up here have been half the Ilkhani's men and half the Ilbeggi's men, with Parviz, who is the Ilkhani's man, at their head. On the death of Jan Kuli (who is one of the Ilbeggi's men) all the Ilbeggi's men went out of the fort to bury him, and Parviz, quite naturally, knowing the feud against him, has refused to allow them back again. Kerim demands the dismissal of Parviz, and the re-engagement of the Ilbeggi's half of the guards, and failing this satisfaction threatened to attack the fort containing Parviz and the remainder of the guard. Naturally, we cannot agree to this. Parviz is the man responsible for the safety of the camp, and without him there would be no safety. There has been a certain amount of promiscuous firing, and the bungalow has been hit, and a bullet has gone quite close to the doctor. I do not think that either side has any grievance against the Europeans, but there is the danger (1) that with bullets flying about, and the proximity of the Europeans' quarters to the fort, that somebody will get hit, and (2) that either side may fire at a European in order to put the blame on the other side.

We are doing what we can to procrastinate open outbreak of hostilities, but any permanent settlement is impossible until the khans or their responsible representatives arrive; and Karim, knowing that he will get it hot from them for disobeying orders, will obviously try to get at Parviz before then.

We are meanwhile advising the parties to submit their case to the arbitration of elders nominated by both sides, and by this means to temporise for a few days.

I should, however, like you, if possible, to come up here with your sowars as quickly as possible. Not only might you personally be able to patch up the quarrel, but your presence with your sowars would, I think, prevent an outbreak of hostilities and guarantee the safety of the Europeans until the arrival of the Khans. You will doubtless do your best to come up at once, and will let us know when to expect you. If difficulty of ready transport prevents your marching at once we can probably accommodate you and your men somehow or other for a day or two until the remainder of your baggage arrives.

You will doubtless wire at once to the Sirdar Muhtashem and to the Samsam-es-Sultaneh informing them of the seriousness of the position here.

Yours sincerely,
J. B. LLOYD.

[2903]

No. 116.

Sir G. Barclay to Sir Edward Grey.—(Received January 26.)

(No. 33.)
(Telegraphic.) P.

ADVANCE to Persian Government.

Last sentence of my telegram No. 31 of the 25th January was based on a misapprehension. On referring to Russian loan contract of 1902, I find that by article 13 Persia, even after 1912, is precluded from borrowing from a third Power until Russian loan is discharged.

Tehran, January 26, 1910.

[2416]

No. 117.

Sir Edward Grey to Sir G. Barclay.

(No. 19.)
(Telegraphic.) P.

ZIL-ES-SULTAN.

Foreign Office, January 26, 1910.

Zil-es-Sultan begs that you may be instructed to take action, jointly with M. Poklewski, in the matter of three of his villages, seized, as he affirms, by the Governor of Ispahan, under orders from the Persian Government. He has also approached the Russian Ambassador in Paris with a similar request. He values the villages at about 100,000L.

You are authorised to take any steps unofficially in favour of Zil-es-Sultan that you may think advisable, if your Russian colleague agrees. You have full discretion in the matter.

Reference is to my despatch No. 76 of the 3rd June last year.

[2531]

No. 118.

Sir Edward Grey to Sir A. Nicolson.

(No. 36.)
(Telegraphic.) P.

Foreign Office, January 26, 1910.

SITUATION in Eastern Azerbaijan.

His Majesty's Government consider it very important to prevent Rahim Khan from receiving any support through Turkish intervention. You should therefore inform the Russian Government that if the mischievous conduct of the Turkish consul-general at Tabreez appear to them to call for representations at Constantinople, we will instruct Sir G. Lowther to associate himself with any steps that may be taken by his Russian colleague.

[2987]

No. 119.

Sir Edward Grey to Sir G. Barclay.

(No. 10.)
Sir,

Foreign Office, January 26, 1910.

THE Persian Minister being ill, a Secretary of the Persian Legation called at this Office on the 18th instant to bring to my notice the malpractices of the Russian soldiers at Kazvin, and the bad effect in encouraging the rebel forces which must be produced by the dispatch of a Russian expedition in the north of Persia.

As regards the first of these two points, he stated that the Russian soldiery at Kazvin behaved in a most overbearing fashion, and that they terrorised the inhabitants of the town.

He expressed to Mr. Mallet, who received him, the hope that His Majesty's Government would make some representations to the Russian Government on these subjects.

Mr. Mallet promised to inform me of his wishes, but expressed at the same time

[1704]

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the opinion that the intervention of His Majesty's Government in such a matter might do more harm than good.

I do not propose to make any representations at St. Petersburg.

I am, &c.
E. GREY.

[2722] No. 120.

Memorandum communicated to Count Benckendorff, January 26, 1910.

SIR EDWARD GREY has had the honour to receive a copy of a telegram addressed to the Russian Ambassador by the Russian Minister for Foreign Affairs, which Count Benckendorff was good enough to leave at this Office on the 22nd instant.

This telegram gave the substance of a communication made to M. Isvolsky by the German Ambassador at St. Petersburg on the subject of the appointment of foreign advisers in Persia, together with the text of the answer which his Excellency proposes to return to it, and enquired the opinion of His Majesty's Government regarding this question.

Sir E. Grey has the honour to express to Count Benckendorff his thanks for the opportunity thus afforded to him of expressing an opinion on this matter, and would beg leave to offer the following observations:—

It is true, as stated by M. Isvolsky in his proposed reply to Count Pourtalis, that the application made to the French Government, in January 1909, for the services of two officials to fill the posts of treasurer-general and inspector-general of finances in Persia, was made direct by the Persian Government, and was not the outcome of any agreement between His Majesty's and the Russian Governments, whose action in the matter was limited to informing the French Government, in reply to an enquiry, that they saw no objection to the appointments in question.

It would, however, be hardly accurate to state, as proposed by M. Isvolsky, that the question of appointing any other foreigners to Persian posts has not arisen, because it has already been agreed that one of the conditions of an advance of 400,000*l.* to the Persian Government is that the latter should immediately apply to the French Government for the appointment of seven more French experts for service in the Persian Ministry of Finance.

The German Government cannot fail to learn of these appointments, and to become aware of the circumstances in which they will have been made, *i.e.*, as the result of direct pressure brought to bear on the Persian Government by His Majesty's and the Russian Governments, and they would then have reason to complain that the assurance given them had not been fulfilled.

Sir E. Grey would accordingly suggest for M. Isvolsky's consideration that the reply to Count Pourtalès should be worded somewhat as follows:—

"The Imperial Russian Government note with satisfaction that the German Government recognise the special position of Russia and Great Britain in Persia. They assume that the German Government, in their communication, refer to the appointment, in January 1909, of a French treasurer-general and inspector-general of finances, and would point out that these nominations were made by the Persian Government on the advice of M. Bizot, their financial adviser, and were merely approved by the Russian and British Governments, to whom they were submitted. It is only natural that M. Bizot should prefer Frenchmen as his collaborators in the Persian Ministry of Finance, but there is no agreement between Russia and Great Britain restricting the appointment of foreign advisers in the Persian service when neither Russian nor British subjects.

"The right of the Persian Government to appoint whom they like to posts in their own service seems undeniable, although the special interests of Russia and Great Britain, due to their coterminous frontiers and to the fact that they are the creditors of Persia for very considerable sums of money, give them the right to demand that such appointments should be submitted to them before being made."

Sir E. Grey has the honour to add that no similar communication from the German Government has yet reached His Majesty's Government, but that, in the event of such

a communication being received, he will reply to it in the above terms should they appear suitable to M. Isvolsky.

Foreign Office,
January 26, 1910.

[3045]

No. 121.

India Office to Foreign Office.—(Received January 27.)

Sir,

India Office, January 26, 1910.

IN reply to your letter of the 17th January, 1910, as to the employment of a survey officer by the Anglo-Persian Oil Company in connection with the proposed topographical survey in Western Persia, I am directed to invite reference to the Viceroy's telegram of the 20th instant, from which it will be seen that Mr. Scott has accepted the appointment, and is proceeding at once to Persia with two native surveyors.

The instructions to Mr. Scott to procure all equipment, &c., in India are presumably in accordance with the wishes of the company, who have undertaken to provide all tents and transport.

I am, &c.
R. RITCHIE.

[2758]

No. 122.

Sir Edward Grey to Sir A. Nicolson.

(No. 38.)

(Telegraphic.) P.

Foreign Office, January 27, 1910.

ADVANCE to Persian Government.

It is certainly true, as Russia states, that Persian Government can only be kept on their feet with the aid of a large loan. It appears from Tehran telegram No. 31 of the 25th January that to demand a formal undertaking from Persian Government that they will apply for a loan seems undesirable, and from Tehran telegram No. 33 of yesterday it seems unnecessary. Persia will be obliged by circumstances to apply soon for a loan, and that the application should be addressed to any Power other than Russia or Great Britain is rendered impossible by the terms of the Russian loan contract.

My own opinion is that M. Isvolsky is right in proposing that Great Britain should join Russia, when Persian Government apply, in rendering the negotiation of a large loan from foreign bankers easy. This could be done by agreeing that, in case of default, article 5 of the Anglo-Russian Convention should be brought into force in favour of the loan. I cannot finally commit His Majesty's Government to this course without consulting the Cabinet, which will, I hope, meet next week. I think, however, that such a measure would in no way place either Government in a position of any financial liability.

Meanwhile, I trust that by giving this provisional consent I shall make it possible to proceed without any further delay with the full amount of the small advance.

With reference to Tehran telegram No. 29 of the 24th January, Sir G. Barclay fears that to impose a condition as to Russian instructors would raise so much opposition that it would probably wreck the entire proposal, and, of course, if the small advance fell through, the prospect of a large loan would also vanish. I think it would be most inadvisable to exact too many conditions in the case of the small advance.

[2416]

No. 123.

Sir Edward Grey to Sir F. Bertie.

(No. 51.)

Sir,

Foreign Office, January 27, 1910.

I HAVE received Mr. Carnegie's despatch No. 30 of the 20th instant conveying a request from Zil-es-Sultan for the intervention of His Majesty's Minister at Tehran, in concert with his Russian colleague, to enable an arrangement to be reached with the Persian Government in the matter of the seizure by their orders of certain villages belonging to His Imperial Highness.

I transmit to your Excellency herewith copy of a telegram which I have addressed to Sir G. Barclay on the subject,* and I request you to inform Zil-es-Sultan of the steps which have been taken on his behalf.

I am, &c.
E. GREY.

[3121]

No. 124.

Sir A. Nicolson to Sir Edward Grey.—(Received January 28.)

(No. 41.)

Sir,
St. Petersburg, January 23, 1910.
I HAVE the honour to report that the "Novoe Vremya" of to-day's date publishes an article on Persia, of which the following is a summary:—

The second Medjliss has done but little better than the first. The general position is still undefined, and the way lies open for any possibility. Yet signs of improvement are not wanting. The second Medjliss has learnt the lesson taught by the fate of its predecessor by heart, and its views and actions are more sober and practical. The day of fruitless oratory has passed. The "extreme" parties have lost their short-lived charm, and the deputies, so far as their political intelligence admits, are striving to work with the Government, and not to combat it. The Government now realises the necessity of a foreign loan. The needs of the Persian Government will no doubt meet with the full sympathy of England and Russia, who will give assistance in the present difficult position in which the Persian Government is situated. In view of what has happened previously with money lent by foreign Powers, it would only increase the confusion if a loan were granted without proper guarantees as to expenditure. These guarantees are demanded not only by those who supply the money, but in the interests of the Persians themselves. This is precisely the view taken by the Cabinets of St. Petersburg and London. The form the control is to take has not yet been decided upon. The settlement of this question has been left to the Russian and British Ministers in Tehran. Probably a special commission will be proposed, which shall consist of members of the Government, representatives of the Medjliss and of both legations. A commission thus composed would be the best guarantee for the proper expenditure and control of the money lent. But this would not by any means satisfy all the vital needs of the country. A loan of 2,000,000 or 3,000,000 roubles will only enable the Persian Government to breathe more freely for two or three weeks. Persia requires a thorough reorganisation of her State systems. The reform of the local government, the creation of new legal and administrative machinery, the reform of the army and police, all demand the expenditure of large sums. At present Persia owes in short-terms loans over 15,000,000 roubles. These loans have necessarily been negotiated on very burdensome conditions. Persia must be freed from these usurious loans. Under certain conditions she could borrow 50,000,000 or 60,000,000 roubles and the interest would not exceed that which she is now paying. At the same time she would liquidate all her current debts, and would, moreover, have at her disposal from 20,000,000 to 30,000,000 roubles for present needs. But such a loan would require even more caution on the part of the lenders. The Persian Government is now faced with the fundamental question: Is she to attempt to reconstruct Persia with no assistance save that of comrades from the Caucasus, or is she to proceed along the wide path of economic reform assisted by European Powers? The first method has already been partially attempted with negative results. The example of such States as Japan, Turkey, and China should persuade her to choose the second path. Common sense will tell the Persian Government and the Medjliss which is the true road. The other road will lead Persia to a prolonged chaos, ending with a slow but certain death.

I have, &c.
A. NICOLSON.

* No. 117.

[3899]

No. 125.

Note communicated by Count Benckendorff January 28, 1910.

LE consul britannique à Tabriz a informé son Ministre à Téhéran tant d'une série de faits établissant l'existence de rapports constants d'Enver Bey avec Rakhim et d'autres khans de Karadagh que de la récente intervention en leur faveur de ce représentant ottoman auprès du gouverneur.

Dans une conversation avec l'Ambassadeur de Turquie, M. Poklewski s'est exprimé au sujet de pareils procédés du consul général de Turquie en les désapprouvant; il a en même temps exprimé l'espérance qu'Enver Bey recevrait des ordres d'avoir à mettre fin à ses rapports avec Rakhim Khan.

Le Ministre de Grande-Bretagne a, de son côté, fait, au moyen d'une lettre privée, une démarche analogue auprès de l'Ambassadeur.

Ce dernier a nié tout esprit d'intrigue chez son subordonné et a promis de lui faire parvenir des instructions dans le sens désiré.

Quant à sa propre intervention auprès du Ministre des Affaires Étrangères, l'Ambassadeur a cherché à l'expliquer par des mobiles purement humanitaires et par le désir de mettre fin à l'effusion de sang.

D'autre part, d'après des nouvelles télégraphiées de Tabriz par le gérant du consulat Impérial, Rakhim Khan affirme dans une lettre avoir reçu par l'entremise de Djémil Bey une lettre du consul général de Turquie à Tabriz.

Ceci confirme les renseignements précédemment recueillis par le consulat Impérial concernant les intrigues d'Enver Bey dans le Karadjadagh à l'aide de Djémil, spécialement envoyé à cet effet de Constantinople.

Le gérant du consulat Impérial est d'avis que, ces intrigues se trouvant confirmées à l'aide de documents, son collègue de Turquie renie Djémil et cherche à faire croire qu'il n'a rien de commun avec cet aventurier.

*Ambassade Impériale de Russie, Londres,
le 28 janvier, 1910.*

[3161]

No. 126.

Messrs. Ellinger and Co. to Foreign Office.—(Received January 28.)

Sir,

28, Oxford Street, Manchester, January 27, 1910.
REFERRING to our letter of the 18th instant, enclosing copy of letter we addressed to Sir George Barclay, Tehran, advising him the "Cliftonian" would load 5,000-5,500 tons oxide at Hormuz, we have now definite news that this steamer will arrive at Hormuz on the 1st February. This day, we are afraid, will be before our letter will arrive at Tehran, and we shall therefore be obliged if you will be good enough to cable the information to Sir George Barclay.

You, of course, kindly consented to our communicating direct with the British Minister, but in the present instance circumstances make it advisable that the cable advice should go through you.

With best thanks in anticipation.

We are, &c.
ELLINGER AND CO.

P.S.—We do not wish to wire *en clair* stating the quantity to be shipped, and cannot cable Sir George Barclay in Code.

E. AND CO.

[3899]

No. 127.

Sir Edward Grey to Sir G. Lowther.

(No. 13.)

(Telegraphic.) P.

Foreign Office, January 28, 1910.

EASTERN Azerbaijan. Conduct of Ottoman consul-general at Tabreez.

See Tehran telegram No. 27 of the 23rd January.

You should join with M. Tcharykoff in representations as to the mischievous conduct of Ottoman consul-general.

[2835]

No. 128.

Sir Edward Grey to Sir G. Barclay.

(No. 11.)

Sir,

THE secretary of the Persian Legation left with Mr. Mallet on the 21st instant a memorandum, of which a copy is enclosed, relative to the disastrous results which would follow the grant by the Russian consular or other authorities in Persia of asylum to Rahim Khan.

He asked at the same time that His Majesty's Government would make representations to the Russian Government on the subject, and added that such an occurrence would arouse the greatest resentment in Persia.

The Persian Government had approached the Russian Minister at Tehran with regard to this question, but their representations had as yet met with no reply.

Mr. Mallet did not encourage the secretary to hope for any intervention on the part of His Majesty's Government, and I do not propose to mention the matter to the Russian Government.

I also transmit copy of the reply which I have returned to the Persian Minister's communication.*

I am, &c.
E. GREY.

Enclosure in No. 128.

Memorandum communicated by the Persian Legation January 21, 1910.

ACCORDING to telegrams received within the last few days by the Persian Government, Rahim Khan is in the greatest difficulty at Karadagh, and there is every hope that he will soon be captured.

The Persian Government have had repeated conversations with the Russian Minister in Tehran, on whom it has been impressed that it is their earnest hope that no refuge or protection will be afforded to Rahim Khan by the Russian consulates or officials in Persia, nor that he will be admitted and received in Russian territory. Should such a thing be done, it will throw away all the trouble and expense to which the Government have been put in this connection. Such an action will, moreover, produce the greatest commotion among the people of Persia, and will involve the Persian Government in trouble. It would be a very great pity that a bloodthirsty rebel, such as Rahim Khan is, who merits capital punishment, should be the means of straining the relations between the two countries.

The Russian Minister in Tehran has promised to co-operate in every way in the matter and to ask for instructions from St. Petersburg, but so far no reply has been received. The Persian Government desire it to be known that they attach the greatest importance to this question. They earnestly hope that Rahim Khan will not in any way be offered refuge or protection by the Russian consuls or other officials in Persia, and that should he escape into Russian territory he will be given up by the Russian authorities. Should the contrary happen, the results will be most regrettable in every way, and will hurt the feelings of the Persian nation to the utmost degree.

*Persian Legation, London,
January 21, 1910.*

[1748]

No. 129.

Sir Edward Grey to Sir A. Nicolson.

(No. 23.)

Sir,

I HAVE received your Excellency's despatch No. 16 of the 9th instant submitting certain observations on the subject of a proposal to improve the communications between Bunder Abbas and Kerman by the construction of a cart-road.

I entirely concur in your Excellency's remarks relative to the Askhabad-Mesched Railway, and your recommendations on this subject will be borne in mind.

I have read with satisfaction the last paragraph of your Excellency's despatch, in which you allude to the desire of the Russian Government to work cordially and frankly with that of His Majesty, and to the confidence which they feel in the loyalty of His Majesty's Government towards them.

As regards the particular question of the construction of the proposed cart-road from Bunder Abbas to Kerman, it would perhaps be better not to mention the matter to the Russian Government at the present stage.

I am, &c.
E. GREY.

[2472]

No. 130.

Foreign Office to Board of Trade.

Sir,

Foreign Office, January 28, 1910.

WITH reference to previous correspondence relative to the formation of a body of guards for the protection of the roads in Southern Persia ending with my letter of the 11th instant, I am directed by Secretary Sir Edward Grey to inform you that the proposal of the Board of Trade that the surcharge of 10 per cent. on import duties, which is to provide the sum necessary to defray the expenses of putting the scheme into execution, should be levied at the port of Bushire only, has been carefully considered in this Department in communication with His Majesty's Minister at Tehran, and that it appears to him to be open to serious objections.

In the first place, the sum derived from the imposition of this charge on Bushire alone would, in the opinion of Sir G. Barclay and of His Majesty's consul-general at Bushire, who is now on leave in this country, be insufficient for the purpose for which it is intended. Sir G. Barclay has even expressed the view that to obtain the necessary sum at Bushire the charge would have to be doubled.

In these circumstances, if the charge were levied as proposed, trade would at once be diverted from Bushire to other ports where it was not imposed, with the result that the trade of Bushire would be, temporarily at any rate, destroyed, and that the port would soon cease to produce any money to defray the expenses connected with the guards.

Sir E. Grey is well aware that the extension of the charge to all the ports in the Persian Gulf would be likely to be strenuously opposed by British firms who have commercial interests in those regions. He is nevertheless of opinion that a serious effort should be made to overcome that opposition, and he would suggest that it might be pointed out to objectors that it is worth their while to make the sacrifice involved in agreement to the universal application of the charge, since such a course could not fail to produce a great and immediate improvement in the trade done by British and British-Indian firms in Southern Persia, whereas its rejection must result before long in the total extinction of that branch of commerce.

I am, &c.
LOUIS MALLET.

[2530]

No. 131.

Memorandum communicated to Persian Minister January 28, 1910.

SIR EDWARD GREY has carefully considered the memorandum left at this Office by the secretary of the Persian Legation on the 21st instant on behalf of the Persian Minister relative to the situation in Eastern Azerbaijan.

He has now the honour to state in reply that, according to a telegram received on the 22nd instant from His Majesty's Minister at Tehran, the Russian detachments have left Ahar, and that their visit there appears to have passed off without incident. The Caucasian authorities have received instructions to abstain in future from moving even small bodies of troops without previously obtaining the consent of the agents of the Russian Ministry of Foreign Affairs.

Sir G. Barclay also reports that the troops of the Persian Government have gained further successes, and that Rahim Khan is evidently in a position of great embarrassment, since he is stated to have applied for protection both to the Russian and Turkish consuls-general at Tabreez, who, however, are said to have refused his request.

The Persian Minister for Foreign Affairs has asked the Russian Minister not to allow Rahim Khan to take refuge in the Russian consulate-general at Tabreez, and M. Poklewski has replied that his Government will not depart from their policy of non-intervention unless another Power protects Rahim Khan, in which case they will take what measures they think right.

Melidi Khan will not fail to perceive that, in the circumstances reported, the intervention of Sir E. Grey at St. Petersburg would have been unnecessary even had it been desirable, which was not the case.

Foreign Office, January 28, 1910.

[2898] No. 132.

Foreign Office to Anglo-Persian Oil Company.

Sir,

WITH reference to your letter of the 3rd September, 1909, relative to the shares in the First Exploitation and Bakhtiari Oil Companies assigned to the Bakhtiari khans I am directed by Secretary Sir Edward Grey to inform you that he has received a telegram from His Majesty's Minister at Tehran, stating that he would be glad if these shares could be forwarded to His Majesty's consul at Ahwaz as soon as possible.

Sir G. Barclay states that the khans have raised the question of these shares, and that it would therefore be desirable that they should be handed to them by His Majesty's consul.

I am to express Sir E. Grey's hope that your company will, if possible, comply with Sir G. Barclay's request.

I am, &c.
LOUIS MALLET.

[3272] No. 133.

Board of Trade to Foreign Office.—(Received January 29.)

Sir,

WITH reference to previous correspondence on the subject of the provision of road guards in Southern Persia, I am directed by the Board of Trade to transmit to you herewith, for the information of the Secretary of State for Foreign Affairs, copy of a letter and of the accompanying enclosure which they have received from Messrs. H. C. Dixon and Co., of Manchester.

I am, &c.
GEO. J. STANLEY.

Enclosure 1 in No. 133.

Messrs. Dixon and Co. to Board of Trade.

Whitworth House, Princess Street, Manchester,
January 24, 1910.

Sir,

WE have just received from Persia a press copy of a statement furnished by them [sic] to the British residency in Bushire. This statement shows the amounts that are being exacted from muleteers carrying British goods, in the shape of tolls. The

Tufangchees are road guards, and the tolls are paid them for guarding the roads, which they do not do.

Our object in sending this to you is to point out that these road guards, who are not paid any wages by the Persian Government, are already taking from muleteers more than it is proposed to charge under the new system of road patrols suggested to us recently, when your Mr. Hooper called upon us. Although these tolls are paid by the muleteers, it is needless to say that they are added to the rate of mule-hire, and the British importer has to pay them.

We have, &c.

H. C. DIXON AND CO.

Enclosure 2 in No. 133.

PAYMENTS by Muleteers to Tufangchees, &c., for each mule from Bushire to Shiraz or Shiraz to Bushire.

| | Krans. |
|--|--------|
| Bushire, Kalunthar, and Tufangchees | 1.25 |
| Chogodak, Tufangchees.. | 0.80 |
| Ahmadi— | |
| Tufangchees | 0.50 |
| Alafi | 3.00 |
| Straw and barley | 3.00 |
| From Ahmadi to Borasjoon— | |
| Tufangchees: Ispandi, Chakootah, Gezbil, Khashegoon, Khasho, and Bakhesay, at the rate of 10 cents per station | 0.60 |
| Borasjoon— | |
| Alafi | 3.00 |
| Straw and barley | 3.00 |
| Payment to Tufangchees at Jata Garavalkhoonch and Toleh Borasjoon | 0.50 |
| Dalaki— | |
| Alafi | 2.00 |
| Straw and barley | 4.00 |
| Tufangchee.. | 0.50 |
| Tufangchees— | |
| Borjeh Namazgah and Phol | 0.40 |
| Daryakhoo (by force) | 1.00 |
| Katal Maloo | 0.50 |
| Khonarhakten— | |
| Alafi | 2.50 |
| Straw and barley | 3.00 |
| Tufangchee.. | 0.25 |
| Tufangchees— | |
| Banak | 0.50 |
| Kamookeshi and Bekher | 0.50 |
| Jafarin and Thakteku | 0.50 |
| Chooroon and Kotal Kamarej, at 15 cents each.. | 0.30 |
| Kamarej— | |
| Alafi | 2.00 |
| Straw and barley | 2.00 |
| Tufangchee.. | 0.15 |
| Tufangchees at— | |
| Tangtorkoon | 0.30 |
| Badar | 0.15 |
| Karvanserai Khajeh Ibrahim | 0.15 |
| Diris | 0.30 |
| Borjeh Hajie Mohamed | 0.15 |
| Kazeroon— | |
| Tufangchees at Sangborideh and Kola Shah Saltaneh, at 15 cents each | 0.30 |
| Sareh Phol and Abdin, at 15 cents each.. | 0.30 |
| Miyuneh Khotal | 0.50 |
| Dastaajin | 0.20 |
| Zeniyoon | 0.30 |
| Dehsikh | 0.20 |
| Shiraz, in custom-house.. | 3.00 |
| Total | 41.10 |

Total payments for each mule, not including straw and barley, from Kazeroon to Shiraz.

[3295]

No. 134.

Manchester Chamber of Commerce to Foreign Office.—(Received January 29.)

Sir,

Manchester, January 28, 1910.
 MAY I enquire whether the Secretary of State is now in a position to give the Chamber any information as to the proposals which were placed before him in the letter dated the 14th September, and acknowledged by you on the 20th September, for the provision of road patrols for the service of traffic between the Persian frontier and the great towns. The state of things complained of in my former letter shows no signs of improvement, and ordinary Persian trade with this country is at an entire standstill.

I am, &c.
 W. SPEAKMAN, Secretary.

[3324]

No. 135.

Sir G. Barclay to Sir Edward Grey.—(Received January 29.)

(No. 36.)

(Telegraphic.) P.

BUSHIRE-SHIRAZ road.

I have the honour to report that yesterday the Minister of the Interior informed me that Persian Government had accepted responsibility for the road which runs via Jerreh.

An official communication in a like sense is expected.

[3328]

No. 136.

Sir A. Nicolson to Sir Edward Grey.—(Received January 29.)

(No. 29.)

(Telegraphic.) P.

St. Petersburg, January 29, 1910.

PLEASE see your telegram No. 38 of the 27th instant.

I handed to M. Isvolsky an *aide-mémoire* in the sense of your above-mentioned telegram this afternoon. His Excellency said that he would hasten to consult the Minister of Finance. In reply to his enquiry as to whether he were to understand that it was not proposed to attach any conditions to an advance of 400,000*l.*, I said that one or two, such, for instance, as the first two, of the six conditions proposed would be necessary. We thought, however, that to burden an advance with too many, especially with that respecting the nationality of the instructors to be engaged by the Persian Government, would be unwise.

The Russian Minister at Tehran has not as yet informed M. Isvolsky whether any agreement as to conditions has yet been arrived at between himself and Sir G. Barclay.

[3161]

No. 137.

Sir Edward Grey to Sir G. Barclay.

(No. 22.)

(Telegraphic.) P.

Foreign Office, January 29, 1910.

I AM requested by Ellinger to inform you that 5,000 to 5,500 tons of oxide will be shipped by steam-ship "Cliftonian," which is expected to arrive at Hormuz on the 1st February for that purpose.

[3342]

No. 138.

Sir G. Barclay to Sir Edward Grey.—(Received January 30.)

(No. 38.)

(Telegraphic.) P.

ADVANCE to Persian Government.

With reference to Sir A. Nicolson's telegram No. 29 of the 29th January, there seems to be some misunderstanding in M. Isvolsky's statement that no information regarding the conditions for the advance had yet been received from Russian Minister in Tehran. M. Poklewski certainly telegraphed the six conditions, which we agreed on the 18th January to attach to a joint advance of 400,000*l.*, to Russian Government, and M. Isvolsky has referred to them in a conversation with His Majesty's Ambassador, as reported in his Excellency's telegram No. 23 of the 23rd January.

Tehran, January 30, 1910.

[3343]

No. 139.

Sir G. Barclay to Sir Edward Grey.—(Received January 30.)

(No. 39.)

(Telegraphic.) P.

Tehran, January 30, 1910.

TURKISH consul-general at Tabreez.

In continuation of my telegram No. 27 of the 23rd January, I have the honour to report that Turkish Ambassador denies that Enver Bey has intrigued. He informs me that he sent instructions to him some time ago not to protect Rahim Khan, and to refrain from interfering in the affairs of Azerbaijan.

[3330]

No. 140.

Sir A. Nicolson to Sir Edward Grey.—(Received January 30.)

(No. 31.)

(Telegraphic.) P.

St. Petersburg, January 30, 1910.

PERSIA. Intrigues of Turkish consul-general at Tabreez.

I am informed by M. Isvolsky that a telegram had just been sent to Count Benckendorff suggesting that the two Ambassadors at Constantinople should take some steps. This telegram must have crossed your telegram No. 36 of the 26th January.

[3351]

No. 141.

Sir A. Nicolson to Sir Edward Grey.—(Received January 31.)

(No. 42.)

Sir,

St. Petersburg, January 23, 1910.

M. ISVOLSKY informed me yesterday that the German Ambassador had mentioned to him that the German Government had learnt, from a remark made by the "dragoman of the English Legation at Tehran," that the Russian and British Governments were contemplating recommending to the Persian Government the engagement of some foreign advisers ("Beiräthe") other than British or Russian. The German Government quite recognised the special position and responsibilities of Great Britain and Russia, but, if nationals of third Powers were to be engaged, they would consider that Germans had an equal right with them. He had told Count Pourtales that, beyond the question of a French financial expert or two, he was not aware that any proposals for the employment of foreigners other than Russian or British had as yet been made to the Persian Government.

He was about to telegraph to Count Benckendorff to speak with you on the subject and to submit the draft of the reply which he proposed to make to the German Ambassador. He asked if I had heard anything on the subject. I replied in the negative, and said that I did not know if a similar communication had been made to His Majesty's Government.

M. Isvolsky remarked that the German communication was a satisfactory indication that the German Government recognised the special position of Great Britain and Russia in Persia, and of this note could be taken.

I have, &c.
A. NICOLSON.

[3355]

No. 142.

Sir A. Nicolson to Sir Edward Grey.—(Received January 31.)

(No. 46.)

Sir,

St. Petersburg, January 23, 1910.

I CALLED on M. Isvolsky yesterday afternoon, and said that I wished to speak to him in regard to the advance to the Persian Government. He would remember that some time ago he made a suggestion that His Majesty's Government could furnish their full quota, namely, 200,000*l.*, and that the Russian Government would supply 100,000*l.* I now had received instructions to inform him that His Majesty's Government proposed to act upon this suggestion and furnish their quota. M. Isvolsky remarked that he had in fact "thrown out such an idea" as I had mentioned, but that a good deal had occurred since that occasion; and he also remembered that he had expressed the hope that the fact of the wide difference between the two contributions should not be made public.

I replied that that was perfectly true, and that I had informed him that it would be very difficult, if not impossible, to keep secret that such differences did exist. At the same time, we were anxious to give the Persian Government every opportunity of clearing the roads in the south, as British trade was practically blocked, and it was necessary to furnish the Persian administration with as much funds as possible for the purpose.

M. Isvolsky said that he was awaiting a reply to his last memorandum in regard to a loan, and, as he had previously explained to me, the decision of the Russian Government as to furnishing their whole quota would greatly depend on the nature of our reply. I told him that his memorandum was being very carefully studied, but that its examination would naturally take time. His Excellency said that he did not quite understand why much time need be devoted to the subject. I observed that the question of furnishing a large loan to a country in the condition of Persia was no light matter, and there were many questions which necessitated careful consideration. M. Isvolsky said that he did not anticipate that the details should be settled, but he wished that His Majesty's Government should accept the question of a loan in principle, and that the two Governments should induce the Persian Government to apply for a loan. When an application had been formally made, it would then be possible perhaps for the Russian Government to supply their full quota of the advance as a payment on account of a future loan. Hitherto the Persian Government had made no application, but had only thrown out hints that they might require a loan.

I said that I would explain this to you, but I should like to recur to His Majesty's Government advancing at once the whole of their quota. M. Isvolsky rather avoided giving a direct reply, and said that it would be better if the two Governments proceeded on the same lines. I then asked if he had received from M. Poklewski any observations as to the necessity of both Governments giving the whole of the 400,000*l.* on certain conditions. I observed that small doles were of little use, and it would be well to go as far as possible in giving the Persian Government a generous advance. It was really essential that funds should be furnished. Otherwise anarchy would increase and extend. M. Isvolsky said that he perfectly agreed that small doles were useless, and it was for that reason that he was desirous of getting a loan put on the stocks. He had received from M. Isvolsky recommendations that the Russian Government should advance their full quota, and he had also been examining the six conditions which the two representatives had drawn up. He would have to make some observations on one or two of them. For instance, there was a clause as to railway concessions being given to Persian subjects who could furnish exclusively Persian capital. No Persian subjects had any capital, and they would be men of straw with foreign capital. I remarked that this clause had, I understood, been expressly inserted to exclude such men of straw, and avoid foreign capital being introduced under a false guise. M. Isvolsky said that there would be some difficulty in effecting that, but in any case he would before long let me have his views on the whole subject of the conditions. His Excellency then turned to other questions.

I must admit that my interview was not satisfactory. It was clear to me that M. Isvolsky did not view with favour the idea of our advancing our full quota, and that there is no chance of Russia contributing her full share until the Persian Government have formally applied for a loan. Even in that case I imagine that the conditions on which the Russian Government will insist will hardly be such as to commend themselves to the Persian Government.

I have, &c.
A. NICOLSON.

[3395]

No. 143.

Sir G. Lowther to Sir Edward Grey.—(Received January 31.)

(No. 39. Confidential.)

Sir,

Constantinople, January 25, 1910.

IN consequence of the recent Ministerial crisis here, it has been impossible until now to carry out the instructions contained in your telegram No. 711 of the 23rd December, 1909.

To-day M. Tcharikoff spoke to the Minister for Foreign Affairs on the subject of the withdrawal of Turkish troops from Persian territory, and I did so also.

I said that, from information that had reached us from the Turco-Persian frontier, it appeared that certain points situated outside the contested zone, and without doubt in Persian territory, such as Naghideh and Mamesh, had been and were still occupied by Turkish troops, which produced somewhat strained relations with the Persian authorities, with the risk of causing complications, that, while His Majesty's Government would no doubt be prepared to give good advice to Persia to avoid such a contingency, it was necessary that the Turkish Government should exercise more severe control over those in command of their troops in those regions.

I added that my Government was desirous of approaching the matter in the most friendly spirit, and believed that the Ottoman Government wished to settle the question of the disputed frontier in a spirit of equity, and His Majesty's Government were therefore of opinion that the first steps towards this end should be the withdrawal of such Turkish troops as had passed beyond the contested zone into Persian territory.

Rifaat Pasha endorsed the desire to see the question settled amicably, but said that he had not yet conversed with the Grand Vizier on the subject. He did not exactly know where the places were that I mentioned, and whether they were actually in Persian territory. He would, however, give the matter his earnest attention, but they had recently received news of several cases in which Turkish subjects had suffered at the hands of Persians in the South of Persia, and the authority of the Government seemed to be very slight. To M. Tcharikoff Rifaat Pasha seems also to have spoken in very vague terms, though he gave him to understand that, immediately a proper Persian authority was set up in that district, Naghideh would be evacuated by Turkish troops.

I also took an opportunity of speaking to the Grand Vizier in the same sense. His Highness, however, used somewhat different language. Desirous as his Government was to see the question settled amicably, he said there were the following points to be considered: Was there any real Government or authority in Persia with whom it would be possible to treat? What guarantee was there that if the Turkish troops evacuated the territory in question it would not be occupied by Russian troops? The territory in question was mostly occupied by Sunnis, who, if the territory was evacuated, would be at the mercy of the Shiabs. He was not sure that the Persians were not now in occupation of territory incontestably Turkish. The map drawn up in 1869, to which I referred, His Highness said did not throw much light on the subject. Once a proper Government was established in Persia, he would encourage the appointment here of a Persian commissioner, who could with great facility arrive at an understanding with the Turkish commissioner appointed with that object, but it was absolutely necessary that he should be given full powers to negotiate. His Highness did not suggest anything in the nature of mediation, nor did he refer to the proposed Board of Arbitration, consisting of members of the Turkish Parliament and the Persian Medjlis.

I have, &c.
GERARD LOWTHER.

[3618]

No. 144.

Sir G. Louther to Sir Edward Grey.—(Received January 31.)

(No. 12.)

(Telegraphic.) P.

Constantinople, January 31, 1910.

TURKISH consul-general at Tabreez.

Referring to your telegrams Nos. 10 and 13, the Ottoman Ambassador at Tehran has given Enver Bey instructions to extend his good offices only in case of need to Rahmi, but not to protect him. Rifaat Pasha assures me Enver Bey, who was his own personal choice, had been distinctly instructed to abstain carefully from interfering.

[3328]

No. 145.

Sir Edward Grey to Sir A. Nicolson.

(No. 48.)

(Telegraphic.) P.

Foreign Office, January 31, 1910.

ADVANCE to Persian Government (see your telegram No. 29 of the 29th January).

I consider that we should maintain the six conditions for the full advance which were agreed to by Russian and British representatives in Persia. My objection was only to the condition concerning Russian instructors for the gendarmerie.

[3660]

No. 146.

Sir Edward Grey to Sir A. Nicolson.

(No. 50.)

(Telegraphic.) R.

Foreign Office, January 31, 1910.

PERSIAN chargé d'affaires called to-day and stated that Persian Government could not understand why the small advance which is so urgently needed is still delayed, especially as the conditions had been practically settled by the British and Russian Ministers in Tehran. If the two Governments could not make the advance the Persian Government would like to be informed, so that they might try to get some money elsewhere.

He was told that we are doing our utmost to hasten matters.

(Repeated to Tehran.)

[1006]

No. 147.

*Foreign Office to India Office.**Foreign Office, January 31, 1910.*

Sir, WITH reference to your letter of the 23rd July last, relative to the further assurances which the Sheikh of Mohammerah desires to receive from His Majesty's Government, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a despatch from His Majesty's Minister at Tehran,* reporting the result of the discussion of this question which took place between him and His Majesty's consul-general at Bushire during the visit of the latter to Tehran in November last, and I am further to inform you that the question has formed the subject of unofficial conversations at this Office with Major Cox since his arrival in England on leave of absence.

It will be observed that the sheikh is anxious, in the first place, that the assurance given to him and subsequently extended to his heirs and successors should be modified so as to apply to his male descendants.

The reasons for this wish which are to be found in the memorandum by Major Cox, enclosed in Sir G. Barclay's despatch, appear to Sir E. Grey to be sufficiently strong adequately to explain the sheikh's anxiety on the point.

Sir E. Grey sees no objection, in the circumstances, to compliance with the sheikh's desire, so long as it is made quite clear to him that the assurances given are only to hold good on condition that he and his male descendants continue to fulfil their obligations

* Sir G. Barclay, No. 207, November 9, 1909.

to His Majesty's and the Persian Governments, and to be acceptable to their tribesmen.

Sir E. Grey attaches some importance to the inclusion of the latter condition since it would be undesirable that His Majesty's Government should find themselves in the position of being bound to support a Sheikh of Mohammerah with whom the tribesmen were dissatisfied, and whom they wished to remove.

The sheikh further wishes the assurances to be made to hold good for 100 years.

As regards this point Sir E. Grey has no objection in principle to making the assurances valid for a stated time, since it appears preferable that His Majesty's Government should be bound for a fixed period only than that they should remain under this obligation in perpetuity. He would suggest, however, that the period should be somewhat reduced, and that the assurances should be given for three generations only.

The sheikh also asks for an assurance of protection for his private property in Persia, and, so far as possible encroachment by the Persian Government is concerned, Sir E. Grey concurs in the view of Sir G. Barclay and Major Cox that there is no objection to promising him that in such an event His Majesty's Government will afford him assistance to obtain a satisfactory solution of the difficulty.

Sir E. Grey further sees no harm in the proposal of Major Cox that, in order to give His Majesty's Government a pretext for intervention in a case of this kind, the sheikh should be made a K.C.I.E.

The question, however, of giving an assurance that the sheikh shall be protected against molestation by foreign Powers or against any encroachment by such a Power on his jurisdiction, recognised rights, or property in Persia, requires more careful consideration.

The assurance given to the sheikh in 1902, and since confirmed, only promised him defence against naval attack, and this appears to Sir E. Grey unobjectionable, but to assume an obligation to protect him from aggression by land also might not only be very difficult to carry out, but might also, in the event, for example, of a land attack on him by Turkey, a contingency by no means impossible, especially if the Bagdad Railway is completed, might involve Great Britain in a serious dispute with the Porte or with a third Power or even in a war, and that, perhaps, at a moment when such a complication might prove excessively inconvenient.

Sir E. Grey accordingly attaches importance to the use as regards this point of a form of words which, while convincing the sheikh of the sincere intention of His Majesty's Government to afford him all the help in their power in the contingency contemplated, should yet not bind them to forcible intervention on his behalf.

Sir E. Grey would suggest that the form "they (His Majesty's Government) will safeguard you to the best of their ability against an unprovoked attack by a foreign Power, or against any encroachment by such a Power in your said jurisdiction and recognised rights, or upon your property in Persia."

Sheikh Khazal also regards as possible the contingency that His Majesty's Government might be driven to assume control of the customs of the southern ports, including those of Mohammerah and Ahwaz, and hopes that, if this happens, he will be left in immediate control of these two ports as at present.

On this point Sir E. Grey agrees with Sir G. Barclay in thinking that it would be undesirable to give such an undertaking as, in the unlikely contingency contemplated, circumstances might arise in which it would be difficult or inconvenient to comply with the sheikh's wish.

He would therefore prefer that, should the sheikh revert to the question, he should be answered, as suggested by Sir G. Barclay, with friendly assurances of a general character.

The sheikh is also apprehensive of a general catastrophe in Persia which might compel His Majesty's Government to intervene in the south of that country, and wishes to be assured that in such a case he and his tribesmen will be maintained in their present position or, if this is impossible, that he may retain his personal revenue and be granted an asylum in India or elsewhere.

As regards this point it appears to Sir E. Grey that, as His Majesty's Government have recently signed the Anglo-Russian agreement whereby they have bound themselves to respect the integrity and independence of Persia, it would be inconsistent to discuss the break-up of that country as a possible event.

He would accordingly propose to inform the sheikh that the contingency is one which His Majesty's Government cannot contemplate, and to refer him to the instrument itself and to the communication made to him on the 1st December, 1908, in which this question is expressly dealt with.

Finally, the sheikh expresses the wish that the assurances given him should be couched in a form which he can show to his tribesmen, to strengthen both their support of himself and their faith in the friendly policy of His Majesty's Government.

Sir E. Grey considers this request to be a reasonable one, and is disposed to sanction the adoption for the purpose indicated of the form proposed by Sir G. Barclay and Major Cox, with the modification suggested above in the passage relating to protection against molestation, &c., by a foreign Power. All reference to the fact that the assurances are given on condition that the sheikh and his male descendants continue to be acceptable to the tribesmen should, Sir E. Grey thinks, be omitted from this document, which should be handed to him at the same time as the longer form containing the text of the assurances in full, which is intended for his own information only.

I am to state that Sir E. Grey would be glad to be favoured with Viscount Morley's observations on this subject in general, and on the above proposals in particular.

I am, &c.
LOUIS MALLET.

[3045] No. 148.

Foreign Office to Anglo-Persian Oil Company.

Sir,
WITH reference to my letter of the 21st instant relative to the proposed survey of a part of South-Western Persia, I am directed by Secretary Sir Edward Grey to state that, as your company have undertaken to provide all tents and transport in connection with this enterprise, he presumes that the instructions given to Mr. Scott to procure all equipment, &c., in India are in accordance with their wishes.

I am, &c.
LOUIS MALLET.

[3727] No. 149.

India Office to Foreign Office.—(Received February 1.)

Sir,
I AM directed by the Secretary of State for India to acknowledge the receipt of your letters dated the 24th December, 1909, and the 25th January, 1910, respectively, regarding the scheme of a financial group connected with the Indo-European Telegraph Company for the improvement of communications between Bunder Abbas and Kerman.

Viscount Morley concurs in the proposals contained in paragraphs 3 and 4 of your second letter as to the communication to be made to Mr. Stratford-Andrews, the effect of which is to postpone for the present consideration of the scheme.

I am, &c.
R. RITCHIE.

[3709] No. 150.

Mr. F. C. Strick to Foreign Office.—(Received February 1.)

Baltic House, Leadenhall Street, London,
January 31, 1910.

Sir,
REFERRING to my letter of the 13th instant, I now beg to enclose copies of further cablegrams exchanged between my firm and its Tehran agent, Mr. David Brown, in regard to the Ormuz oxide concession.

I have, &c.
FRANK C. STRICK.

Enclosure in No. 150.

Copies of Cablegrams exchanged between Frank C. Strick and Co. and their Tehran Agent, Mr. David Brown of the Imperial Bank of Persia, subsequent to January 13, 1910.

SENT to D. Brown :—

"A. Weir and Co. chartered steamer 5,000 tons ready fortnight. If your proposal entertained yesterday, presume parties would prevent shipment. What is the result yesterday's council meeting?"

Received from D. Brown :—

"Matter is under consideration still; expect to hear definitely in the course of a few days."

Sent to D. Brown :—

"Referring to our letter of 7th January, seeing Mouin-ut-Tujjar will ship 5,000 tons during next week or two, presume negotiations will have to be abandoned."

Received from D. Brown :—

"Referring to your telegram, understand concession Mouin-ut-Tujjar will be cancelled to-day (31st January)."

Sent to D. Brown :—

"Steamer mentioned our telegram 14th due Ormuz to-day. Will she be loaded? Presuming concession cancelled, what will our position be?"

[3735]

No. 151.

Sir G. Barclay to Sir Edward Grey.—(Received February 1.)

(No. 41.)
(Telegraphic.) P.

Tehran, February 1, 1910.

BUSHIRE-SHIRAZ road.

In continuation of my telegram No. 36 of the 29th January, I have the honour to report that I have received a written communication from the Minister of the Interior to the effect that the Jirreh route, which is perfectly safe, has been substituted for the ordinary Shiraz-Bushire road.

As the Persian Government have thus accepted responsibility for this route, I shall hold them liable for robberies to goods in transit on it.

[3766]

No. 152.

Sir A. Nicolson to Sir Edward Grey.—(Received February 1.)

(No. 35.)
(Telegraphic.) P.
PERSIAN advance.

St. Petersburg, February 1, 1910.

I have given the Minister for Foreign Affairs the substance of the communication from the Persian chargé d'affaires (as telegraphed in your telegram No. 50 of yesterday's date) in a private letter. I have at the same time expressed the hope that his Excellency will be able to let me have as early an answer as possible as to whether the Imperial Government are prepared to make the joint advance of 400,000l. to the Persian Government on the conditions which the two Ministers at Tehran have already arranged.

[2332]

No. 153.

Foreign Office to India Office.

Sir,

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 20th ultimo relative to the proposed reduction of His Majesty's consulate at Turbat-i-Haidari to a native agency.

With reference to the suggestion of the Government of India referred to in the last paragraph of your communication, that the withdrawal of the Russian sanitary cordon in North-East Persia should be secured in return for the abolition of this consulate, I am to observe that this cordon, which the Russian Government regard as a precautionary measure against the introduction of plague into their Central Asian possessions, is maintained almost entirely within the Russian zone in Persia, so that His Majesty's Government have really no ground for interference in the matter.

Sir E. Grey would accordingly deprecate raising the question at present, since such action would be likely to arouse suspicion in the minds of the Russian Government as to the motives of His Majesty's Government in making the proposal.

I am, &c.

LOUIS MALLET.

[2998]

No. 154.

Foreign Office to Anglo-Persian Oil Company.

Sir,

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 25th ultimo relative to the disturbance which took place towards the end of November last between two sections of the Bakhtiari guards employed on your company's oil-field at Maidan-i-Naftun, and to express to you his thanks for the information therein contained.

With reference to the last paragraph of that communication relative to the measure of assistance which your staff at that place may look for from His Majesty's consul at Ahwaz, I am to state that, in Sir E. Grey's opinion, the question is one which can only be settled by that officer himself, who, being on the spot, is alone in a position to know the circumstances of each case as it arises, and to form a correct judgment as to the action which is necessary to meet it, subject to the general principle, of which he is well aware, that he should afford to the agents of your company such assistance as he is able having regard to other duties which may or may not be more urgent.

I am further to observe that, in the present instance, the message from the khans which, as reported in Mr. Lloyd's letter to your company of the 18th December last, put an end to the dispute, appears to have been the direct result of Lieutenant Ranking's messages to those chiefs alluded to in his letter to Mr. Lloyd of the 6th December, though this is not expressly stated in the correspondence.

I am to add that Sir E. Grey has complete confidence in Mr. Ranking's capacity and willingness to take the necessary action in all cases of this kind.

I am, &c.

LOUIS MALLET.

[3966]

No. 155.

Counter-Draft of Reply addressed to German Government by M. Isvolsky.—
(Communicated by Count Benkendorff February 2, 1910.)

(Confidentiel.)

C'EST avec satisfaction que le Gouvernement Impérial note que le Cabinet de Berlin reconnaît la situation particulière de la Russie et de l'Angleterre en Perse. Le Gouvernement Impérial suppose que le Gouvernement allemand avait en vue dans sa communication la nomination projetée de sept Français en qualité d'adjoints de Bizot, conseiller financier du Gouvernement persan. Il est à noter qu'en janvier 1909 le

Gouvernement du Schah, sur l'avis de Bizot, s'était adressé directement au Gouvernement de la République française pour obtenir son consentement à ce que deux Français soient engagés au service persan à titre d'adjoints du conseiller financier et que la Russie et l'Angleterre, consultées à ce sujet par le Gouvernement français, ont simplement exprimé leur approbation, trouvant naturel que M. Bizot ait voulu choisir des collaborateurs parmi ses compatriotes. A l'heure présente il n'est question que de porter le nombre des aides du conseiller financier au chiffre de sept. Quant à la question d'engager d'autres fonctionnaires étrangers en qualité de conseillers ("Beirâthe") pour différentes administrations persanes, cette question n'a pas encore été soulevée. Dans tous les cas, il n'y a eu aucun accord entre la Russie et l'Angleterre apportant des restrictions à la nomination en Perse de conseillers étrangers lorsque ceux-ci ne sont ni Russes ni Anglais. Le droit du Gouvernement persan de pouvoir choisir à son gré les personnes qu'il désire avoir à son service paraît indéniable. Mais il faut prendre en considération que la question des conseillers ("Beirâthe") a un caractère éminemment politique, puisqu'elle est en rapport direct avec l'organisation administrative de la Perse, et que la Russie et l'Angleterre, en raison de leur qualité de pays limitrophes de la Perse et de ses créanciers pour une somme très considérable, ont des intérêts particuliers qui leur donnent droit à la sanction préalable de pareilles nominations.

[3832]

No. 156.

Mr. F. C. Strick to Foreign Office.—(Received February 2.)

Baltic House, Leadenhall Street, London,
February 1, 1910.

Sir,

REFERRING to my letter of yesterday, the following cablegram has been to-day received from my firm's Tehran agent, Mr. David Brown, in regard to the Ormuz oxide concession :

"Committee still considering question Mouin-ut-Tujjar concession. In the meantime, steamer, it will be allowed load oxide. Should Persian Government decide eventually grant concession, it will be necessary substitute revised terms. Withdraw offer."

I have, &c.

FRANK C. STRICK.

[3862]

No. 157.

Anglo-Persian Oil Company to Foreign Office.—(Received February 2.)

Winchester House, Old Broad Street, London,
February 2, 1910.

Sir,

I BEG to acknowledge receipt of your letter of the 28th ultimo, advising that a telegram has been received from His Majesty's Minister at Tehran stating that the Bakhtiari khans have raised the question of the shares in the First Exploitation and Bakhtiari Oil Companies, deliverable to them under the agreement of the 15th November, 1905, and Sir George Barclay's desire, which is endorsed by Sir Edward Grey, that the shares should be forwarded to His Majesty's consul at Ahwaz as soon as possible for the purpose of being handed to them.

In reply, I would beg to point out that under the terms of the agreement, as quoted in the vice-chairman's letter to you of the 3rd September last, the khans are not entitled to ask for delivery of these shares until "after the oil is passed through the pipes," i.e., not until eighteen months or two years hence, this being the further time that will probably be occupied in the laying and completion of the pipe-line.

In view of this condition, and of the extreme desirability of retaining the khans' interest in the welfare of the companies, at least up till the time that our preliminary work of pipe laying, &c., is accomplished, my board is of opinion that it would be very inadvisable to hand over the shares before the date on which they are properly deliverable under the terms of the agreement above quoted.

The reason for this is more than ever apparent in the light of a telegram I have received this week from our agents at Mohammerah reporting that the khans are now at Tehran endeavouring to sell their shares. From this it would seem that the request

which has been conveyed through Sir George Barclay is connected with some negotiations which are now going on for the sale of the shares, and possibly the intending purchaser is the same individual who has recently been endeavouring to purchase the Persian Government's interests in our concession.

Under these circumstances, and if you agree with my board's view that the objections which applied to the proposed sale by the Persian Government of their rights apply with equal force to the sale by the Bakhtiari khans of their shares, at any rate until such time as the work of laying the pipe-line is completed, I shall be much obliged if you will cause a telegram to be sent to His Majesty's Minister somewhat to the following effect:—

"Advise khans that under terms of agreement shares not deliverable until oil flows through pipe-line, say, eighteen months or two years hence. Understand khans are endeavouring sell shares Tehran. This is not desirable, for same reasons as applied proposed sale Persian Government's rights."

I have, &c.
C. GREENWAY,
Managing Director.

[3865] No. 158.

Sir A. Nicolson to Sir Edward Grey.—(Received February 2.)

(No. 39.) (Telegraphic.) P. St. Petersburg, February 2, 1910.

PROPOSED advance to Persian Government.

I was informed to-day by M. Isvolsky that a council meeting would be held very shortly, at which the question of the Persian advance would be decided.

[3962] No. 159.

Zelle Sultan to Sir Edward Grey.—(Received February 3.)

117, Promenade des Anglais, Nice,
January 27, 1910.

My Lord,

I AM writing these few lines to ask your Lordship to be good enough to give the enclosed letter by the first opportunity to His Majesty the King, and thanking you beforehand, believe me,

Your most sincere Friend,
ZELLE SULTAN.

Enclosure in No. 159.

Zelle Sultan to His Majesty the King.

117, Promenade des Anglais, Nice,
January 26, 1910.

Your Majesty,

AS your Majesty knows well the state of affairs in Persia, and the troublesome time we have had of late, I take the liberty of addressing your Majesty as the greatest King and Great Master of the Masonic Order, to ask your Majesty's personal protection for myself and family at present in Persia.

It will be known to your Majesty that Her Majesty the Queen Victoria conferred on me the great honour of Great Commander of Star of India for my services rendered to Her Majesty's subjects and their commerce in Southern Persia.

Then let me ask your Majesty, that, whilst I am in Europe, your Majesty's Minister in Tehran may protect my family and property during this troublous period. This I ask of your Majesty in the name of humanity and justice, and at the same time, believe me,

Your Majesty's most
humble Servant,
ZELLE SULTAN.

[3890]

No. 160.

India Office to Foreign Office.—(Received February 3.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, with reference to India Office letter of the 26th January, copy of a telegram from the Viceroy, dated the 2nd February, relative to the proposed survey in Persia by the Anglo-Persian Oil Company.

India Office, February 2, 1910.

Enclosure in No. 160.

Government of India to Viscount Morley.

(Telegraphic.) P.

February 2, 1910.

OIL Company survey. See my telegram dated the 20th ultimo. Scott embarks on the 4th instant at Bombay, with two surveyors and six followers, for Mohammerah.

[3964]

No. 161.

Sir G. Barclay to Sir Edward Grey.—(Received February 3.)

(No. 42.) (Telegraphic.) P.

Tehran, February 3, 1910.

ADVANCE to Persian Government.

Nasr-ul-Mulk called on me yesterday. He emphasised the fact that the situation was being prejudiced by the delay in the reply to the application of the Persian Government for a joint advance. This delay was strengthening the party in the Medjliss opposed to the negotiations at the same time as it was weakening the party favourable to them, and it withal fettered the Persian Government, who felt that they were prevented from trying to raise money by other means, such as by a sale of the Crown jewels, until they have received a reply. Up till the present he had deprecated resort to other means, but he was in doubt now how much longer they should wait in view of prejudicial effect of the long delay. He appealed to me for advice, and I informed him that I hoped we should be able to reply in a few days. That was all I could say.

He emphasised the Government's imperative need of money in order to organise troops before the migration of the tribes, now to be expected in less than two months, should begin.

[3965]

No. 162.

Sir G. Barclay to Sir Edward Grey.—(Received February 3.)

(No. 43.) (Telegraphic.) P.

Tehran, February 3, 1910.

OIL company.

Please refer to my telegram No. 30 of the 25th January.

Consul's hands would, I think, be strengthened, even if the oil company do not agree to hand over their shares to the khans until the oil flows through the pipes, if he could be made eventually the channel of delivery.

[3862]

No. 163.

Sir Edward Grey to Sir G. Barclay.(No. 25.)
(Telegraphic.) P.

Foreign Office, February 3, 1910.

SHARES of Bakhtiari khans in oil company.

See your telegrams Nos. 30 and 43 of the 25th January and the 3rd February respectively.

We cannot well press your request as company object, and consider that they would lose their hold on the khans if shares were delivered now. According to the oil company the khans have gone to Tehran, and are trying to sell their shares. Have you heard anything to this effect? The company suppose that the financier whom Blake represents is the would-be purchaser of shares. The idea of the khans' shares being alienated is most distasteful to the company.

We will approach them on the subject of the suggestion that delivery should be made through the medium of His Majesty's consul.

[3735]

No. 164.

Foreign Office to Board of Trade.

Sir,

WITH reference to previous correspondence respecting the condition of the roads in Southern Persia, I am directed by Secretary Sir Edward Grey to inform you that, according to a telegram received from His Majesty's Minister at Tehran, the Persian Minister of the Interior has informed him in writing that the ordinary Shiraz-Bushire road has been changed for the route by way of Jere, which is perfectly safe.

Sir G. Barclay observes that the Persian Government have thus assumed responsibility for this road, and that he will hold them liable for robberies on it.

I am, &c.
LOUIS MALLET.

[3272]

No. 165.

Foreign Office to Board of Trade.

Sir,

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 28th ultimo, forwarding copy of a communication from Messrs. H. C. Dixon and Co., of Manchester, on the subject of the exactions now being levied from muleteers carrying British goods in Southern Persia.

The Board of Trade are aware, from the letter of the 5th November from this Office, that on the 23rd September last His Majesty's Minister at Tehran, under instructions from Sir E. Grey, made renewed representations to the Persian Government on this subject, which, however, owing to the impotence of the administration, have produced no useful result.

It appears to Sir E. Grey that, as the Persian Government are still quite unable to take any effective steps to put a stop to these exactions, which are, of course, entirely illegal, nothing is to be gained by making a renewed protest against them at this moment, and that the present situation must continue till the proposed force of guards for the protection of trade on these roads has been formed and is in working order.

I am, &c.
LOUIS MALLET.

[3966]

91

No. 166.

Memorandum communicated to Count Benckendorff, February 3, 1910.

SIR EDWARD GREY has not failed to give his careful attention to the memorandum handed to him yesterday by the Russian Ambassador containing the text of the reply which the Russian Government propose to return to the communication made by the German Ambassador at St. Petersburg regarding the engagement of foreign advisers in Persian Government departments.

Sir E. Grey has the honour to inform Count Benckendorff that the terms of the proposed communication to Count Pourtalès are in complete accord with the views of His Majesty's Government on this question.

He would add that the German Government have not up to the present approached His Majesty's Government on this subject.

Foreign Office, February 3, 1910.

[3890]

No. 167.

Foreign Office to Anglo-Persian Oil Company.

Sir,

WITH reference to my letter of the 31st ultimo relative to the proposed survey of part of South-Western Persia, I am directed by Secretary Sir Edward Grey to inform you that, according to a telegram from the Government of India, Mr. Scott will embark at Bombay for Mohammerah to-morrow, taking with him two surveyors and six followers.

I am, &c.
LOUIS MALLET.

[4047]

No. 168.

Treasury to Foreign Office.—(Received February 4.)

Sir,

Treasury Chambers, February 3, 1910.
IN the circumstances represented by Secretary Sir E. Grey in Mr. Mallet's letter of the 18th ultimo, the Lords Commissioners of His Majesty's Treasury sanction the charge to Imperial funds of one-half the expense involved in the recent increase of the consular guard at Bunder Abbas.

In view of the temporary nature of the emergency, my Lords consider it desirable that their approval should be limited in the first instance to a period not exceeding three months. Should the need for an increased guard continue beyond that time they request that the matter may be again brought up for their consideration, and that an estimate of the extra expense involved may be furnished.

I am, &c.
T. L. HEATH.

[4055]

No. 169.

Anglo-Persian Oil Company to Foreign Office.—(Received February 4.)

Sir,

Winchester House, Old Broad Street, London,
February 3, 1910.
I HAVE the honour to acknowledge receipt of your letter of the 31st ultimo, enquiring if the instructions given to Mr. Scott to procure all equipment, &c., in India is in accordance with our wishes.

From your letter of the 21st ultimo we understood that His Majesty's consul at Mohammerah had ascertained from our agents there the exact material Mr. Scott would be required to bring with him, and instructed him accordingly. If this is so, any instructions given by them will be quite in order and meet with our approval; but, if

there is any dubiety on the point, I shall be pleased to telegraph to our agents to ask His Majesty's consul to instruct Mr. Scott more precisely.

I have, &c.

C. GREENWAY,
Managing Director.

[4093] No. 170.

Sir G. Barclay to Sir Edward Grey.—(Received February 4.)

(No. 44.)
(Telegraphic.) P.

OIL company.

With reference to your telegram No. 25 of the 2nd February, I have received positive assurances that Blake did not enter into negotiations with the khans in Tehran, and that the khans have no wish to dispose of their shares in the concern.

Just before his departure for England, on the 7th January, Blake informed me that he had not been able to accomplish anything.

Please refer to my despatch No. 27 of the 27th January.

[4089] No. 171.

Sir A. Nicolson to Sir Edward Grey.—(Received February 4.)

(No. 44.)
(Telegraphic.) P.

St. Petersburg, February 4, 1910.

IN conversation with M. Stolypin last night I took an opportunity of impressing on his Excellency how desirable it was that an advance should be made to the Persian Government, to which he replied that a Cabinet Committee would come to a decision in the matter in a few days' time. I told M. Stolypin that I trusted the committee might decide in favour of the advance; for two Great Powers the sum to be provided was small, and to assist Persia financially, without delay, was a matter of paramount importance.

[3899] No. 172.

Sir Edward Grey to Sir A. Nicolson.

(No. 39.)
Sir,

THE Russian Ambassador called at this Office on the 28th ultimo and left with Sir Charles Hardinge a memorandum, copy of which is enclosed,* respecting the proceedings of the Turkish consul-general at Tabreez.

His Excellency asked at the same time that I would instruct His Majesty's Ambassador at Constantinople to join with his Russian colleague in making representations to the Porte on the subject.

Sir C. Hardinge showed to Count Benckendorff a copy of my telegram No. 36 of the 28th ultimo to your Excellency, in which the offer to take the above step was made, and informed him that a telegram would be sent to Sir G. Lowther instructing him to carry it out.

The telegram in question was despatched on the same day.

I am, &c.
E. GREY.

* No. 125.

[4146]

No. 173.

Acting Consul-General Trevor to Sir Edward Grey.—(Received February 5.)

(No. 1. Commercial.)

Sir,

Bushire, January 16, 1910.
IN continuation of my despatch No. 11, Commercial, dated the 30th July, 1909, I have the honour to forward, for your information, a copy of a letter addressed by me to the Government of India giving cover to a letter from His Majesty's consul for Arabistan, and also to a letter from Sir W. Willcocks, on the subject of the scheme for irrigation from the Kharkhah River.

Copies are also being forwarded to His Majesty's Minister, Tehran.

I have, &c.

A. P. TREVOR, Major.

Enclosure 1 in No. 173.

Acting Consul-General Trevor to Government of India.

(No. 195.)

Sir,

Bushire, January 16, 1910.
IN continuation of the correspondence ending with my letter dated the 23rd December, 1909, I have the honour to forward, for the information of the Government of India, copies of letters on the subject of the proposed scheme of irrigation at Kut Nahar Hashim on the Kharkhah River. The detailed estimates will be sent later on completion by Mr. Storrs.

2. Sir W. Willcocks seems to think very highly of the scheme, and it appears to me to be a most excellent one, offering big returns on a small outlay of capital. I think, however, that before taking any further action in the matter the Government of India will no doubt prefer to wait until Major Cox returns to head-quarters and has had an opportunity of discussing the matter with the Sheikh of Mohammerah, and possibly with the elders of the Bani Truf.

3. In my letter dated the 18th December, 1909, I had the honour to recommend the retention of the sowars now with Lieutenant Wilson until the end of April, and as owing to the earlier arrival of Sir W. Willcocks the work on the Kharkhah is temporarily concluded, I now beg to recommend to the favourable consideration of the Government of India the request conveyed in paragraph 13 of Lieutenant Wilson's letter, in which he asks that he may be allowed to retain the services of the sowars for a further period in order that he may carry out investigations on the Shaur River. The presence of the sowars enables Lieutenant Wilson to travel about and do most useful work, and I hope that the Government of India will be pleased to sanction their retention.

4. Sir W. Willcocks's expert advice on the subject has been of the greatest service in bringing the scheme into a practical form, and Sir W. Willcocks has been most courteous in placing his valuable experience, not to mention his time and labour, at our disposal.

5. The preliminary work done by Lieutenant Wilson and Mr. Storrs had been most efficiently carried out, and no doubt greatly assisted Sir W. Willcocks to give a definite verdict on the scheme. I am informed by Lieutenant Wilson that Sir William found Mr. Storrs's survey and levelling work most useful. It is hardly necessary for me to say anything about Lieutenant Wilson's excellent work in connection with this project. It has already been recognised by His Majesty's Secretary of State for Foreign Affairs.

6. Copies of this letter and of the enclosures are being forwarded to His Majesty's Minister, Tehran, and to the Foreign Office, London.

I have, &c.

A. P. TREVOR, Major,
First Assistant Resident (in charge of Residency).

Enclosure 2 in No. 173.

Acting Consul Wilson to Major Cox.

Mohammerah, January 8, 1910.

I HAVE the honour to report that Sir W. Willcocks, K.C.M.G., in accordance with a promise which he was good enough to make last May, arrived at Mohammerah on the 30th December and, in company with Mr. J. W. Storrs, P.W.D., Assistant Engineer, Persian Gulf Sub-Division, proceeded to the Kharkhah, leaving Mohammerah on the 31st December on the steam-ship "Malamir." I enclose herewith a letter to your address on the subject of his investigations which he has handed to me for transmission.

2. Umm-ut-Tummair, on the Karun River, was reached on the 1st instant. Mules, horses, and an escort were in readiness there, and the Kharkhah was reached on the same day before dusk.

3. The 2nd was spent in examining the environs of Kut Nahr Hashim and of Sinn-ul-Abbas.

4. On the 3rd instant camp was moved to Sinn-ul-Abbas, and the day was spent by Sir W. Willcocks in examining the site here, which he ultimately selected for the dam.

Mr. Storrs ran a line of levels connecting Kut Nahr Hashim with Sinn-ul-Abbas.

5. On the 4th instant the party returned to Nasiri, just in time to avoid a heavy rainstorm. Sir William Willcocks at once commenced to work out plans and estimates, and by the 7th instant he had completed these, with the assistance of Mr. Storrs.

6. On the afternoon of the 7th I accompanied Sir William Willcocks to Failiyah to see Sheikh Khaz'al, who, although suffering severely from fever, insisted on seeing Sir William. The scheme outlined by the latter was discussed in some detail, but Sheikh Khaz'al made no definite statement in regard thereto, though he thanked Sir William heartily for the trouble which he had taken on his behalf. He pointed out the difficulty of inducing local Arabs to utilise irrigated land regularly, discussed the effect of the scheme on the Bani Turuf, and, as regards the financial aspect of the question, said that he looked to the British Government to assist him to find the necessary money for such a project.

7. Sir William mentioned that in Europe capital might be obtained at 3 per cent. interest plus a half share in the profits of the scheme.

The sheikh replied that he would prefer to pay 6 per cent. and retain sole control. This indicates, I think, that he has some confidence in the success of the scheme if undertaken.

8. I have discussed the scheme with the local representative of the Imperial Bank of Persia, and he seems *prima facie* favourably disposed to consider proposals for a loan to the sheikh in connection therewith.

9. I have also had an opportunity of discussing the question from the point of view of the Bani Turuf with Sheikhs Matlab and Asi, of that tribe. I have in a previous report discussed the objections raised by them, and need only say here that their attitude seems to have been considerably modified, and their objections appear capable of satisfactory adjustment.

10. Sir William Willcocks's report may be summarised as follows:—

| | |
|---|--------------------------------------|
| Position of dam | Sinn-ul-Abbas. |
| Cost of work | 75,000 <i>l.</i> at most. |
| Time required for execution of work | Two to three years. |
| Area irrigable | 100,000 acres, hot and cold weather. |
| Probable revenue | 20,000 <i>l.</i> |

Sir William Willcocks is confident that the project, if carried out, would soon attract a permanent population, and that no serious difficulty would arise in this connection, for the very large population which to-day lives in the marshes would greatly prefer to live on the higher lands. All that I have seen and heard locally confirms this view.

11. I propose to defer further discussion of the matter with the sheikh until the occasion of your visit here, when it may be possible to take some definite steps towards the realisation of the project to which Sir William has devoted so much of his valuable time and energy.

12. The maps and plans which form the accompaniment to Sir William Willcocks's letter are at the moment in the hands of Mr. Storrs for completion by him. I have

requested him to forward them in original to the Superintendent, Photo-Litho School, for reproduction, and the latter has been asked to distribute copies direct as per margin.* This arrangement, which is made at Sir William Willcocks's request, saves a good deal of delay and has, I trust, your approval.

13. On the recommendation of Sir William Willcocks, I propose to take an early opportunity of visiting the dam made recently under Sheikh Khaz'al's orders by Seyyid Naamah on the Shaur River, in order to study indigenous methods of irrigation, and also to push my investigations further up the Kharkhah, and possibly down stream also into Hawaizah.

For this purpose my present escort of four men will be as necessary as ever, and I trust that their retention, at all events for the present, will be sanctioned.

14. In conclusion, I must express my appreciation of Sir William Willcocks's goodness in devoting a week of his leave to the examination of this project, and in investigating the question in such detail and completeness that practically no further investigations are necessary before putting the project into execution.

Enclosure 3 in No. 173.

Sir W. Willcocks to Major Cox.

Mohammerah, January 7, 1910.

ACCOMPANIED by Wilson and Storrs, I have inspected the Kut Nahr Hashim and Sinn-ul-Abbas cataracts on the Kharkhah River. The best site for a dam is, I think, the latter site on a reef already selected by Wilson and Storrs. This reef is along the upstream edge of a horizontal layer of strata between hills inclined as in the sketch.†

I am ignorant of the correct geological expressions, but the sketch explains what I mean. At this site we have at the surface a stratum of good sandstone rock over 8 feet thick, some 900 feet long and 100 feet wide, above the level of the river for at least seven months per annum, so that the work could be executed in perfect security. Wilson and Storrs surveyed and levelled the reef while I inspected the river, and Wilson sounded the river with its icy-cold water by wading breast high in the strong current and swimming in the slack water with the sounding pole in a manner unique, as far as my experience goes. The cataracts of the Kharkhah are formed as those of Ahwaz on the Karun, by the river traversing low ranges of hills composed of alternate strata of inferior sandstone and salted marls. Where the strata of sandstone are thick and consistent the cataracts exist, while the marls are easily eaten away by the water. By protecting the down-stream face of the rock to a very considerable depth by a strong masonry casing, solid dams could be constructed which would be durable if they were not absolutely neglected and left to themselves after completion. Before starting the work, borings should be made to test the strata at the reef and downstream of the reef.

I propose a dam with a clean overfall into some 30 feet of water. The designs I have made explain exactly what I propose. We have a solid dam 800 feet long with its crest at R.L. 72.5, with massive wing walls on either flank each 210 feet long, rising to R.L. 92.5. A depth of 10 feet of water on the crest will give a discharge of some 60,000*c* cubic feet per second, leaving 10 feet to spare. The right flank of the dam will be raised on a length of 50 feet, as shown on the plan, while the left flank on the canal head will be provided with five sluices of 6 feet each. The regulation will be by means of horizontal wooden sleepers. The present deep channel of the river, some 150 feet wide, with its bed on solid rock, will be closed with an earthen bank 50 feet wide at the top and slopes of $\frac{1}{2}$ up stream and $\frac{1}{3}$ down stream, well pitched with pitching 3 feet thick.

All the stone for pitching and masonry will come from the reef itself, and be most economical. The old dams on the river were built with excellent lime, but we can

| | | | | | | |
|--|----|----|----|----|----|----|
| * Foreign Department | .. | .. | .. | .. | .. | 25 |
| Political resident | .. | .. | .. | .. | .. | 5 |
| Sir William Willcocks | .. | .. | .. | .. | .. | 2 |
| His Majesty's consul, Mohammerah | .. | .. | .. | .. | .. | 8 |
| Total | .. | .. | .. | .. | .. | 40 |

+ Not reproduced.

build with cement (five sand and one cement) if we like. The outer 2 feet will be laid in mortar of three sand and one cement. The crest of the weir and the floors of the sluices will be composed of bricks laid in two sand and one cement mortar. Excellent bricks were used in the faces of the old masonry walls.

I propose cutting down the face of the reef in the manner shown in the cross sections of the dam and the down-stream wings. This cutting will be carried down to a stratum of good rock near R.L. 41.5, or thereabouts, and be finished off with a 2 feet floor of masonry, as shown in the section.

Very liberal provision has been made in the estimates for quantities of work and contingencies, and if there are economies the money should be spent in converting the last reef shown on the plan into an excellent subsidiary dam, throwing back water on to the main dam.

From the left bank of the river will start a canal 50 feet wide at bottom and 6 feet below the level of the crest of the dam. Taken on a slope of $\frac{1}{10000}$, it will flow into the old Kut Nahr Hashim canal and its continuation, the old Kharkhah, and irrigate by free flow all the country formerly irrigated by the Kut Nahr Hashim canals. The minimum discharge will be 500 cubic feet per second, and the maximum 3,000 cubic feet per second. The Kharkhah, I think, discharges between 1,000 cubic feet per second in low supply, and 60,000 cubic feet per second in flood.

The canal will be provided with a strong regulating head built on the reef.

The estimates have been made by Storrs, and work out as follows:—

| Dam— | Rupees. |
|---|-----------|
| Masonry, 600,000 cubic feet at 60 rupees per 100 | 360,000 |
| Pitching, 135,000 " 20 " | 27,000 |
| Regulation, 400 square feet " 20 " per square foot | 8,000 |
| Earthwork, 5,000,000 cubic feet at 20 rupees per 1,000 | 100,000 |
| Total | 495,000 |
| | £ |
| | or 33,000 |
| Pumping | 5,000 |
| Total | 38,000 |
| Add for establishment, buildings, contingencies, &c., 33½ per 100 | 12,700 |
| Total for dam | 50,700 |
| Head regulator— | Rupees. |
| Pitching, 9,000 cubic feet at 20 rupees per 100 | 1,800 |
| Metalling, 1,200 " 20 " | 240 |
| Rock cutting, 10,000 cubic feet at 10 rupees per 100 | 1,000 |
| Regulation, 700 square feet at 10 rupees per square foot | 7,000 |
| Masonry, 43,000 cubic feet at 60 rupees per 100 | 25,800 |
| Earthwork, 250,000 cubic feet at 20 rupees per 1,000 | 5,000 |
| Total | 41,000 |
| | £ |
| | or 2,750 |
| Add 33½ per 100 | 920 |
| Total for head regulator | 3,700 |
| Earthwork in canal, 2,400,000 cubic feet at 10 rupees per 1,000 | Rupees. |
| | 24,000 |
| | £ |
| Add contingencies, 10 rupees per 100 | or 16,000 |
| | 1,600 |
| Total | 17,600 |
| Stone spur in river at bend | 2,000 |
| Cross drainage at Kut Nahr Hashim | 1,000 |
| Abstract. | £ |
| Dam | 50,700 |
| Regulation | 3,700 |
| Earthwork in canal | 17,600 |
| Stone spurs | 2,000 |
| Cross drainage | 1,000 |
| Total | 75,000 |

The canal will cross a long, deep abandoned bed of the river near the middle of its course. I should propose letting the canal silt this up for the early years of its existence, and save worry with silt lower down until the agriculturists are well established and better able to look after themselves.

The staff needed to execute the works I have proposed will be very modest. An officer of Storrs's experience, with one European and two Indian subordinates of proved honesty, could accomplish all that is necessary.

The Arabs will utilise the existing canal system down stream of Kut Nahr Hashim, and dig new watercourses for themselves. This is Sheikh Khaz'al's idea, and is the same as that emitted by every Arab in Mesopotamia I have met.

The canal, discharging between 500 cubic feet per second as a minimum in September and 3,000 as a maximum in March and April, should be capable of irrigating 100,000 acres in winter and 100,000 in summer.

The winter crops will be wheat, barley, and beans, while the summer crops will be cotton, rice, Indian corn, and sesame. Date trees will be planted everywhere as soon as perennial water is provided.

The sheikh should count on a revenue of 20,000*l.* per annum as a minimum.

[4179]

No. 174.

Sir G. Barclay to Sir Edward Grey.—(Received February 5.)

(No. 45.) *En clair.*

(Telegraphic.) P.

Tehran, February 5, 1910.

GOVERNMENT forces routed Rahim Khan; latter fled towards Russian frontier. Shahsevans are apparently leaving Rahim in lurch, and several of their chiefs are negotiating for submission.

(St. Petersburg informed.)

[4199]

No. 175.

Sir G. Barclay to Sir Edward Grey.—(Received February 5.)

(No. 46.)

(Telegraphic.) P.

Tehran, February 5, 1910.

TELEGRAPHHS. Please refer to your despatch No. 77 of 1907.

It seems from his minute that Kirk is aware of an agreement whereby, in the event of the Indo-European Telegraph Department not obtaining a renewal of the concession, the control of the Tehran-Bushire line lapses to the Indo Company.

I am unable to trace such agreement, and Barker cannot give me any information. I hesitate to approach the Indo Company. Can Kirk furnish me with details?

Please refer to Grant Duff's No. 173 of the 22nd June, 1906.

In view of the early submission of the Arabistan convention to the Medjliiss, I should wish, if possible, to refer the Persian Government to the agreement to which Kirk alludes.

[3295]

No. 176.

Foreign Office to Manchester Chamber of Commerce.

Sir,

Foreign Office, February 5, 1910.
I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 28th ultimo, enquiring whether he is now in a position to furnish information as to the proposals laid before him by your chamber on the 14th September last relative to the provision of guards for the protection of trade on the roads of Southern Persia.

I am to inform you in reply that, owing to the many political considerations by which the settlement of this question is complicated, it has not yet been possible to

arrive at a decision, and that Sir E. Grey has at present no further information to furnish with regard to it.

I am, &c.
LOUIS MALLET.

[3965] No. 177.

Foreign Office to Anglo-Persian Oil Company.

Sir,
I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 2nd instant, relative to the delivery to the Bakhtiari khans of the shares in the First Exploitation and Bakhtiari Oil Company assigned to them under the agreement of the 15th November, 1905.

I am to inform you, in reply, that on the receipt of your communication Sir E. Grey addressed a telegram to His Majesty's Minister at Tehran stating the reason for the objection of your company to the immediate delivery of these shares to the khans, and enquiring whether he had any information as to the reported desire of those chiefs to dispose of their shares, to which transaction your company were strongly opposed.

Sir E. Grey has now received a telegram from Sir G. Barclay stating that, even if your company object to the delivery to the khans of their shares till the oil has passed through the pipes, it would still be desirable that His Majesty's consul at Ahwaz should be made the channel of delivery of the shares when the time comes for these to be handed over.

I am accordingly to enquire whether your company would see any objection to giving an undertaking to this effect.

I am, &c.
LOUIS MALLET.

[4211] No. 178.

Sir G. Barclay to Sir Edward Grey.—(Received February 6.)

(No. 48.)
(Telegraphic.) P.

Tehran, February 6, 1910.

I HAVE received following telegram from His Majesty's acting consul-general at Tabreez:—

Rahmi Khan has, Governor-General informs me, crossed Russian frontier, together with 100 families.

In anticipation of this event, Viceroy had given instructions that the rebel chief and his followers should be conveyed to the interior of the Caucasus, after being disarmed.

[4212] No. 179.

Sir G. Barclay to Sir Edward Grey.—(Received February 6.)

(No. 49.)
(Telegraphic.) P.

Tehran, February 6, 1910.

WITHDRAWAL of Russian troops.

In the Medjliss yesterday, for the first time, the question of the presence of Russian troops in Persia was raised in open session. A heated debate ensued, and a vote of censure was adopted against the Minister for Foreign Affairs, who has since resigned his position in the Cabinet. Question of Russian troops was probably chosen by the advanced party of Nationalists, who had long decided, for various reasons, to rid themselves of Minister for Foreign Affairs, as the occasion for actions in order to add increased force to the demonstration against the troops.

In accordance with the wishes of the House the Government would, the Prime Minister announced after the vote of censure, now take energetic steps in order to bring about the withdrawal of Russian troops from Persia. It is thought that this means that the Persian Government will press my Russian colleague for a categorical pronouncement with regard to the object and duration of their stay, and will subsequently protest to the two Powers against their presence.

[4413]

No. 180.

Sir G. Barclay to Sir Edward Grey.—(Received February 7.)

(No. 50.)
(Telegraphic.) P.

Tehran, February 7, 1910.

WITHDRAWAL of Russian troops.

Please refer to ultimate paragraph of my telegram No. 49 of the 6th February.

M. Poklewski, I understand, is suggesting to his Government that if the Persian Government make the inquiry which is expected, the reply should be given that the moment is not opportune for the withdrawal of Russian troops.

The circumstances of the dismissal of the Minister for Foreign Affairs have a good deal annoyed my Russian colleague. This action of the Medjliss will, I gather, be likely to make the Russian Government more unwilling than ever to facilitate the proposed joint advance to Persian Government.

[4478]

No. 181.

Sir G. Barclay to Sir Edward Grey.—(Received February 7.)

(No. 51.)
(Telegraphic.) P.

Tehran, February 7, 1910.

RAHIM KHAN.

In continuation of my telegram No. 48 of the 6th February, I have the honour to report that the application of the Persian Government for the delivery of Rahim Khan has been refused by the Russian Government.

This decision, which the Persian Government regard as robbing them of the full spoils of victory, has been received most unwillingly.

The Caucasus authorities to whom Rahim Khan has been entrusted will, it is to be hoped, keep this arch scoundrel under strict supervision.

[4476]

No. 182.

Sir A. Nicolson to Sir Edward Grey.—(Received February 7.)

(No. 50.)
(Telegraphic.) P.

St. Petersburg, February 7, 1910.

I LEARN from M. Isvolsky that he has received a note from the Persian chargé d'affaires requesting, on behalf of the Persian Government, the extradition of Rahim Khan. The Russian Government will naturally refuse to comply with this request, and it is a pity that it should have been made by the Persian Government. The Russian Government have caused Rahim to be sent northwards into the Caucasus, and they will decide on his ultimate fate after an enquiry has been held into his past deeds. As it is possible that further fugitives may attempt to pass into Russian territory, measures are being taken on the frontier to prevent them.

[4477]

No. 183.

Sir A. Nicolson to Sir Edward Grey.—(Received February 7.)

(No. 51.)
(Telegraphic.) P.

St. Petersburg, February 7, 1910.

PERSIAN Medjliss and the Russian troops.

M. Isvolsky, to whom I spoke this afternoon on the subject of the proceedings in the Medjliss, treated the matter more calmly than I had expected. He regarded these proceedings as impertinent and extremely foolish. M. Isvolsky said that in view of the fact that Rahim Khan had been decisively defeated, and that no further danger need be anticipated from that quarter, he had just made up his mind to frame proposals, for submission to the committee which is to meet next Thursday, for the withdrawal of the Russian troops, or at least for the reduction of their number. Any action in this direction, however, had, of course, been rendered most difficult by the proceedings of the Medjliss, for Russia, if she reduced or withdrew her troops, would appear to be giving way to Persian threats.

I remarked that I presumed that Russia's decision with regard to a money advance would not be influenced in any way by the proceedings of the Persian Assembly, and, to my satisfaction, M. Isvolsky replied that the question of an advance must be considered on its own merits, and was quite distinct from the other.

[4212]

No. 184.

Sir Edward Grey to Sir G. Barclay.

(No. 26.)

(Telegraphic.) P.

RUSSIAN troops in Persia.

Though His Majesty's Government feel perfectly confident that the Russian Government will not fail to fulfil their promises with regard to the withdrawal of their troops, and though we sympathise with the wish of the Persian Government for their withdrawal, this object would not in our opinion be best gained by addressing a protest to the Russian Government. You should inform the Persian Government of our views.

Reference is to your telegram No. 49 of 6th February.

[4199]

No. 185.

Foreign Office to India Office.

Sir,

WITH reference to Sir A. Godley's letter of the 8th May, 1907, relative to the renewal of the Indo-European Telegraph Department's contracts in Persia, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a telegram from His Majesty's Minister at Tehran,^{*} requesting to be supplied with particulars of an agreement stated by the director in-chief of the department to have been concluded by the Persian Government with the Indo-European Telegraph Company, by virtue of which the former are bound to hand over to the latter, without compensation, the Tehran-Bushire telegraph in the event of the convention of 1872 regarding that line not being renewed beyond 1925.

I am to state that the archives of this department appear to contain no record of such an agreement between the Persian Government and the company, and to request that, should Viscount Morley see no objection, Mr. Kirk may be asked to furnish the explanation desired by Sir G. Barclay.

I am to add that Mr. Grant Duff's despatch No. 173 of the 22nd June, 1906, referred to in this telegram, may be found in "Affairs of Persia," part 7, July-September, 1906, p. 28.

I am, &c.

LOUIS MALLET.

[4055]

No. 186.

Foreign Office to India Office.

Sir,

AM directed by Secretary Sir Edward Grey to inform you that on the receipt of your letter of the 26th ultimo relative to the survey of a part of South-Western Persia which the Anglo-Persian Oil Company are about to undertake, he caused a letter to be addressed to the company, enquiring whether the instructions given to Mr. Scott to procure all equipment, &c., in India, were in accordance with their wishes.

I am to transmit to you herewith copy of the reply of the company,[†] from which it appears that, in the circumstances, those instructions are considered by them satisfactory, but that, in case of doubt, they are willing to telegraph more precise instructions for the use of Mr. Scott.

I am to state that, in view of the fact stated in your letter of the 2nd instant, of which the company have now been informed, that Mr. Scott intended to leave Bombay

* No. 175.

† No. 169.

for Mohammerah on the 4th instant, it appears to Sir E. Grey that it is unnecessary and indeed impossible to take any action on the company's letter.

I am, &c.

LOUIS MALLET.

[4093]

No. 187.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, February 7, 1910.

WITH further reference to your letter of the 2nd instant, relative to the shares assigned to the Bakhtiari khans in the First Exploitation and Bakhtiari Oil Companies, I am directed by Secretary Sir Edward Grey to inform you that he has received a telegram from His Majesty's Minister at Tehran reporting that he is positively assured that Mr. Maurice Blake, who recently visited Tehran with the intention of acquiring, on behalf of a British financier, the interest of the Persian Government in the so-called "D'Arcy concession," had no dealings with the chiefs during his stay at that capital, and that the latter have no desire to sell their shares.

Before leaving for England on the 7th January Mr. Blake informed Sir G. Barclay that he had accomplished nothing.

I am, &c.

LOUIS MALLET.

[3727]

No. 188.

Foreign Office to Mr. T. W. Stratford Andrews.

Sir,

Foreign Office, February 7, 1910.

WITH reference to your letter of the 9th November, relative to the formation of a financial group connected with the Indo-European Telegraph Company for the improvement of communications between Bunder Abbas and Kerman, I am directed by Secretary Sir Edward Grey to inform you that he is carefully considering the matter in consultation with the Secretary of State for India and His Majesty's Minister at Tehran.

In the meanwhile, Sir E. Grey notes that the present intention of the promoters of the enterprise is merely to form a syndicate for the purpose of sending an engineer to make a survey of the country between Bunder Abbas and Kerman.

As regards this proposal, Sir E. Grey would observe that at the present moment the country to be surveyed is particularly unsafe, as the ordinary dangers of the road are aggravated by the presence of Afghan gun-runners, who are likely to be particularly vindictive this year on account of the severity of the measures which His Majesty's Government are taking for the suppression of the arms traffic. The engineer selected by the syndicate would therefore have to be accompanied by a strong escort, which the Persian Government are at this moment in no position to supply.

I am, &c.

LOUIS MALLET.

[4619]

No. 189.

Sir G. Barclay to Sir Edward Grey.—(Received February 8.)

(No. 52.)

(Telegraphic.) P.

RAHIM KHAN.

Tehran, February 8, 1910.

In continuation of my immediately preceding telegram of the 7th February, I have the honour to report that I have urged upon M. Poklewski the desirability that any ill-gotten property which Rahim Khan may have carried off with him should be confiscated. Russian Minister informs me that he has submitted the matter to St. Petersburg.

[1704]

It is said that rebel chief transported the greater part of his movable property, which consists principally of plundered merchandise, into Russian territory. Please refer to your telegram No. 6, Commercial, 1908. Castelli's carpets are not improbably amongst this loot. Lloyds, I believe, are interested in this as well as in other of his manifold robberies.

[4620] No. 190.

Sir G. Barclay to Sir Edward Grey.—(Received February 8.)

(No. 53.)
(Telegraphic.) P.
RAHIM KHAN.

Please refer to my telegram No. 52 of to-day's date. I have received a telegram from His Majesty's acting consul-general at Tabreez reporting that the Russian intentions with regard to the rebel chief are causing some anxiety in Tabreez. Rahim Khan, he adds, will be able to stir up unrest in Azerbaijan if he is not removed far from the frontier and prevented from entering on intrigues.

[4621] No. 191.

Sir G. Barclay to Sir Edward Grey.—(Received February 8.)

(No. 54.) R.
(Telegraphic.) P.

Tehran, February 8, 1910.

YOUR telegram No. 26 [of 7th February: Russian troops in Persia].

This afternoon I have made verbal communication, as instructed, to Prime Minister, who thanked me, but said that he had already instructed their representatives at London and St. Petersburgh to represent to the two Governments that presence of Russian troops was paralysing the Government, and to urge that Russia should fulfil her promise as to their withdrawal.

I have informed Russian Minister of my communication and of Prime Minister's reply. My Russian colleague was somewhat exercised by tenor of former, as he fears that it may stiffen Persian Government. Strange as it may appear, in view of the report of the Prime Minister to me, Russian Minister says that Prime Minister this morning had expressed to him through a third party his regret at the action of the Medjlis, and further intimated a desire to make reparation by giving Russia satisfaction in various outstanding cases.

Possibly you might think it well in reply to forthcoming representation of the Persian Minister to recommend conciliatory attitude.

[4669] No. 192.

Anglo-Persian Oil Company to Foreign Office.—(Received February 9.)

Winchester House, Old Broad Street, London,
February 8, 1910.

Sir,
I BEG to acknowledge receipt of your favour of the 1st instant, and to thank you for passing on Sir E. Grey's expression of opinion as to the measure of assistance which our staff in Persia may look for from His Majesty's consul at Ahwaz in the event of further disturbances.

I am passing on a copy of your letter to our agents in Persia, and have no doubt that the explanations given will be completely satisfactory to them, as they make perfectly clear the extent of the responsibility of His Britannic Majesty's consul.

With regard to the beneficial effect of Lieutenant Ranking's message to the khans in bringing about a settlement of the recent troubles, and Sir E. Grey's confidence in Lieutenant Ranking's capacity and willingness to lend help, I may add that I am in complete accord with Sir E. Grey's opinion.

I have, &c.
C. GREENWAY, Managing Director.

[4674]

No. 193.

Anglo-Persian Oil Company to Foreign Office.—(Received February 9.)

Winchester House, Old Broad Street, London,
February 8, 1910.

Sir,
I HAVE the honour to acknowledge receipt of your letter of the 3rd instant, advising that Mr. Scott, with two surveyors and six followers, intended embarking at Bombay for Mohammerah on the 4th instant, which information I duly passed on by wire to our Persian agents.

I have, &c.
C. GREENWAY, Managing Director.

[4658]

No. 194.

Sir G. Barclay to Sir Edward Grey.—(Received February 9.)

(No. 55.)
(Telegraphic.) P.
RAHIM KHAN.

Tehran, February 9, 1910.

With reference to Sir A. Nicolson's telegram No. 50 of the 7th February, the request on the part of the Persian Government for the extradition of Rahim Khan was certainly unfortunate, for the friction between the Russian and Persian Governments must be increased by the request and by the refusal with which it has met. This action on the part of the Persian Government may not, however, have been entirely unreasonable. Please see Hertslet's treaties of Persia, p. 133.

I use the words "may not," since it is possible that Rahim Khan was in possession of a tribal passport, which does not require to be renewed each time the frontier is crossed.

[4733]

No. 195.

Sir G. Barclay to Sir Edward Grey.—(Received February 9.)

(No. 57.)
(Telegraphic.) P.

Tehran, February 9, 1910.

WITHDRAWAL of Russian troops.

In continuation of my telegram No. 54 of the 8th February, M. Poklewski is greatly relieved, as he sees no indication of a change in the attitude of the Prime Minister, who still continues to promise settlement of some outstanding Russian cases since our communication to him.

[4745]

No. 196.

Sir A. Nicolson to Sir Edward Grey.—(Received February 10.)

(No. 74.)
Sir,

THE "Russ," an advanced Liberal paper, takes the "Daily News" to task for an appeal, which apparently appeared in the columns of the latter paper, for a protest against the presence of Russian troops in Persia. The "Russ" states that its own views on armed intervention in the internal affairs of Persia are well known, but it is unable to understand the appeal of the "Daily News." If it be a protest against the landing or dispatch of troops into Persia, in any circumstances whatever, the "Russ" asks the writer of the appeal to consider the expedition which was landed from the "Hyacinth" and the "Hardinge," and, after a march of over seven hours, attacked and destroyed a dépôt of arms. Russian troops on every occasion were dispatched for the protection of life, whereas there is not a particle of evidence or, indeed, any pretence that this was the motive for the landing parties from the above-mentioned ships. Russia and England are bound by a special agreement on questions of the Middle East, and the "Russ" considers that the interests of both countries demand that the action of Russia or of England, within the limits of this agreement, shall not be judged in a one-sided manner by either side. It is not permissible that Russian troops should

interfere in the internal quarrels of Persia, and support one party against the other; but absolute anarchy, which the ex-Shah knew how to create has, *nolens volens*, compelled Russia to safeguard her real interests by armed force in territory where no other authority is recognised.

I have, &c.
A. NICOLSON.

[4769] No. 197.

India Office to Foreign Office.—(Received February 10.)

Sir,

IN reply to your letter dated the 25th January, 1910, as to the persecution of Ismailis in North-East Persia at the instigation of the orthodox Mahomedan clergy, I am directed to inform you that Viscount Morley concurs in Sir E. Grey's proposal that the steps taken in the matter of His Majesty's Minister at Tehran should be approved, and that Sir G. Barclay should be instructed to inform the Persian Government that His Majesty's Government attach great importance to the punishment of the guilty parties.

I am, &c.
R. RITCHIE.

[4795] No. 198.

Mr. T. W. Stratford-Andrews to Foreign Office.—(Received February 10.)

Sir,

18, Old Broad Street, London, February 9, 1910.
I AM much obliged for your letter of the 7th instant, and note that Sir Edward Grey is in consultation with the Secretary of State for India and His Majesty's Minister at Tehran on the subject of the improvement of communications between Bunder Abbas and Kerman.

Looking at the unsettled state of Southern Persia, it would appear to be inexpedient to send an engineer to survey the country at present.

I will place your letter before those interested in the promotion of the enterprise above referred to at the earliest possible date.

I am, &c.
T. W. STRATFORD-ANDREWS.

[4818] No. 199.

Sir G. Barclay to Sir Edward Grey.—(Received February 10.)

(No. 58.)
(Telegraphic.) P.

Tehran, February 10, 1910.

ZIL-ES-SULTAN.

It had been brought to my notice before receipt of your telegram No. 19 of the 26th January that in order to prevent seizure of property family of the Zil-es-Sultan intended to take bast. I therefore reminded His Majesty's consul at Isfahan that the Zil had forfeited his right to our protection by the disregard he had paid to our advice. M. Poklewski also sent instructions to his consul to refrain from intervention.

Both my Russian colleague and I agree that it would be useless to take unofficial action.

The failure of the Zil to meet promissory note for 200,000 tomans, which was extracted from him in addition to the 100,000 tomans which he paid down as ransom in September last, is the reason for this decision to seize property.

[4836]

No. 200.

Sir G. Barclay to Sir Edward Grey.—(Received February 10.)

(No. 60.)
(Telegraphic.) P.

WITHDRAWAL of Russian troops.

Tehran, February 10, 1910.

I have the honour to report that I received this afternoon a visit from the Minister of the Interior.

He came to inform me that the agitation against Russian troops had only been stifled by representing their protracted stay in the most favourable light, but since the final defeat of Rahim Khan their presence could not be defended, and he feared that the hostile feeling would increase, rendering the resignation of the Cabinet inevitable. In reply, I strongly dissuaded him from such a decision, and I further repeated to him message contained in your telegram No. 26 of the 7th February, adding a recommendation that a conciliatory attitude should be shown in the cases being pressed by my Russian colleague.

The continued presence of Russian troops, the asylum given, in violation of the convention of 1844, to the rebel chief (Sardar Assad declared that Rahim Khan had never been granted a tribal passport), the exaggerated manner in which agents of Persian Government asserted the privileges of bast and of Russian protection at the expense of the authority of the Government were, Minister of Interior asserted, proofs of Russian "hostility" of which he spoke bitterly. I often urge M. Poklewski to use moderation on this last point, but not always successfully.

Persian Government, in communicating with my Russian colleague, have only referred in a private letter to the convention of 1844. As Russian Government would probably find it hard to reply on this point this is strange.

[4619]

No. 201.

Sir Edward Grey to Sir A. Nicolson.

(No. 73.)
(Telegraphic.) P.

Foreign Office, February 10, 1910.

YOU should inform M. Isvolsky of report in last paragraph of Sir G. Barclay's telegram No. 52 of the 8th February concerning Rahim Khan, and request him to ascertain whether the latter on entering Russian territory brought with him any plunder from Persia.

[4925]

No. 202.

Anglo-Persian Oil Company to Foreign Office.—(Received February 11.)

Sir,

I HAVE the honour to acknowledge receipt of your letters of the 5th and 7th instant.

I note that a telegram, as suggested in my letter of the 2nd instant, was addressed to His Majesty's Minister at Tehran, and that in reply Sir George Barclay has advised—

1. That Mr. Maurice Blake, who recently visited Tehran with the intention of acquiring on behalf of a British financier the interest in the D'Aréy concession, had no dealings with the Bakhtiari khans during his stay at that capital;
2. That the khans have no desire to sell their shares;
3. That Mr. Blake informed Sir George Barclay before leaving for England that he had accomplished nothing.

These items of information are all very satisfactory, and I have to thank you, on behalf of my board, for the trouble you have taken in clearing up the position in regard to the khans' reported desire to dispose of their shares.

As regards Sir George Barclay's expression of desire that when the time for delivery comes His Majesty's consul at Ahwaz should be made the channel of delivery of the shares to the khans, I have to state that this company will be very pleased to

avail themselves of the consul's good offices in this matter. But as it will help to maintain the position of our agents and fields manager *vis-à-vis* the khans, and better enable them to discuss and settle with the latter any of the small questions not necessitating official interviews which may hereafter arise, we think it desirable that our agents and fields manager should be present at the time of delivery, *i.e.*, we would suggest that a meeting be called at which His Majesty's consul, the khans, and our representatives shall be present, and that at this meeting our representatives shall hand the shares to His Majesty's consul, and he in turn hand them over to the khans.

I have, &c.

C. GREENWAY, Managing Director.

[4956]

No. 203.

Sir G. Barclay to Sir Edward Grey.—(Received February 11.)

(No. 62. Very Confidential.)
(Telegraphic.) P.

Tehran, February 11, 1910.

PLEASE refer to my telegram No. 60 of the 10th February.

The Persian Government are, I feel, being slowly driven to desperation by the line that Russia is pursuing, and I believe that there is a danger of the Cabinet tendering its resignation, a step which might again bring about chaotic conditions.

The three manifestations of hostility cited by the Minister of the Interior and Russia's procrastination with regard to the joint advance are cases in point. The manner in which M. Poklewski interprets the rights of *bast* and of Russian protection suggests a policy of pinpricks; indeed, the attitude at present assumed by Russia is open to the construction which is placed upon it by Persians of having the embarrassment of the Government for its object.

So far, I have not spoken to my Russian colleague about the visit of the Minister of the Interior; I defer doing so until I learn whether you intend to take steps at St. Petersburg. I should like one day's notice before I broach the subject to M. Poklewski.

[4957]

No. 204.

Sir G. Barclay to Sir Edward Grey.—(Received February 11.)

(No. 63.)
(Telegraphic.) P.

Tehran, February 11, 1910.

I AM informed by Minister of the Interior that Sipahdar has tendered his resignation as Prime Minister. Regent will probably refuse to accept it, Minister of the Interior added.

[5007]

No. 205.

India Office to Foreign Office.—(Received February 12.)

Sir,

IN reply to your letter dated the 7th February, 1910, forwarding copy of a telegram from His Majesty's Minister at Tehran, in which enquiry is made as to an agreement between the Persian Government and the Indo-European Telegraph Company respecting the Tehran-Bushire telegraph line, I am directed to enclose herewith copy of a note on the subject by the director-in-chief, Indo-European Telegraph Department, giving the information for which Sir G. Barclay asks.

I am, &c.

R. RITCHIE.

Enclosure 1 in No. 205.

Note by the Director-in-Chief of the Indo-European Telegraph Department.

I PUT up a copy of the agreement, dated the 12th August, 1882, between the Persian Government and the Indo-European Telegraph Company. By article 3 of this agreement the Teheran-Bushire line is to be handed back to the company on the expiration of the treaty of the 2nd December, 1872, between the Persian Government and the British Government, unless this treaty is renewed. The treaty has been renewed under an agreement dated the 7th January, 1892, for a period ending the 31st January, 1925. In the meantime the company have obtained the renewal of their telegraphic concessions to 1945, and this would give them the right to take over the Teheran-Bushire line if the British concession for the line is ended in 1925.

H. A. KIRK.

February 9, 1910.

Enclosure 2 in No. 205.

Agreement between the Persian Government and the Indo-European Telegraph Company.

Copy of Renewal of Concession of 1868 to January 31, 1905.

(Sealed by Persian Foreign Office, Teheran, and signed by T. D. Nelson on behalf of the Telegraph Company on August 12, 1882.)

LE Gouvernement Impérial persan, ayant pris en considération la demande de la Compagnie télégraphique indo-européenne au sujet de la prolongation de ces concessions en Perse, les dites concessions sont modifiées et renouvelées conformément aux clauses et conditions suivantes:—

Article 1^{er}. La durée des concessions du 11 janvier, 1868, et du 24 mai, 1869, est prolongée jusqu'au 31 janvier, 1905.

Art. 2. Le Gouvernement persan a déjà par la concession du 24 mai, 1869, cédé aux concessionnaires actuels pour la période comprise entre le 1^{er} janvier, 1870, et l'expiration du traité du 23 novembre, 1865, tous les droits que ce traité lui a donnés ou que le renouvellement de ce traité pourrait lui donner encore sur les recettes provenant des dépêches de transit transmises sur la ligne Téhéran-Bouchire et le Gouvernement anglais a approuvé cet arrangement, auquel il a adhéré par le traité du 2 décembre, 1872. La cession de ces mêmes recettes est prolongée par la présente convention jusqu'au 31 janvier, 1905.

Art. 3. A l'expiration du traité conclu le 2 décembre, 1872, entre le Gouvernement persan et le Gouvernement anglais la ligne Téhéran-Bouchire sera remise aux concessionnaires à moins que le Gouvernement persan ne conclue d'ici là avec le Gouvernement anglais une nouvelle convention au sujet de cette ligne sur les mêmes bases financières, les concessionnaires seront tenus d'observer toutes celles des conditions de ce traité qui sont applicables à une compagnie.

Art. 4. Les concessionnaires se sont déjà engagés à payer au Gouvernement persan pendant vingt-cinq ans (du 1^{er} février, 1870, jusqu'au 31 janvier, 1895) une redevance de 120,000 fr. par année, et en considération de la prolongation de dix ans accordée par la présente concession, les concessionnaires consentent maintenant à payer encore au Gouvernement persan une somme annuelle de 10,000 fr. en outre de 120,000 fr., dont il a été question ci-dessus, ce paiement devant commencer à partir du 31 janvier, 1882, et continuer jusqu'au 31 janvier, 1905, durée de la prolongation stipulée dans l'article 1^{er} ci-dessus.

Art. 5. Les paragraphes 1, 2, 3, 4, 5, 6, 7, 8 (deux alinéas), 9 (deux alinéas), 10 (deux alinéas) de l'article 2 de la concession du 24 mai, 1869, sont annulés.

Art. 6. Le paragraphe final de l'article 11 de la concession du 11 janvier, 1868, est modifié ainsi qu'il suit:—

En cas d'interruption du fil du Gouvernement persan pendant plus de vingt-quatre heures les concessionnaires seront tenus de mettre à la disposition du Gouvernement persan un bon fil pendant quatre heures par jour jusqu'à ce que celui du Gouvernement persan soit remis en bon état, et cela sans avoir droit à aucun dédommagement.

Et en cas de mélange entre le fil persan et l'un de ceux des concessionnaires, le Gouvernement persan sera autorisé à se servir d'un bon fil des concessionnaires pendant le dit mélange et pour le terme stipulé plus haut en cas d'interruption.

Art. 7. Les concessionnaires se chargent de prêter au Gouvernement persan autant qu'il sera en leur pouvoir, conseil, surveillance, et assistance pour l'installation de nouveaux bureaux sur le ligne du Gouvernement persan entre Téhéran et Djoulfa.

Toutefois les concessionnaires ne devront point pour cela avoir à supporter des frais soit pour la main-d'œuvre, soit pour le matériel, soit pour les appareils, ni contribuer à l'entretien des bureaux ainsi installés.

Art. 8. A partir de la date de cette concession, les concessionnaires dégagent le Gouvernement persan de tous frais d'entretien de son fil entre Téhéran et Djoulfa, et ils feront toujours tous leurs efforts pour rétablir la communication en cas d'interruption de ce fil.

Le Gouvernement persan en retour de ces services procurera aux surveillants et inspecteurs des concessionnaires toute facilité pour les mettre à même de voyager avec la plus grande promptitude et le plus de sûreté possible.

Le Gouvernement persan prendra immédiatement en considération toute plainte que les concessionnaires pourront lui porter au sujet de dégâts de la ligne faits à dessein, et il punira sommairement toute personne coupable d'un tel délit.

Art. 9. Il est entendu qu'à partir de la date de cette concession les concessionnaires auront droit à un tiers de toutes les recettes provenant de la proportion persane de la taxe des dépêches émanant de la section persane de la ligne des concessionnaires et échangées avec l'Europe, le Gouvernement persan se réservant les deux autres tiers de ces recettes.

Art. 10. Les comptes relatifs aux susdites dépêches doivent être communiqués de part et d'autre annuellement, comme c'est déjà statué par la concession du 11 janvier, 1868, pour les autres comptes entre le Gouvernement persan et les concessionnaires, et à concession les concessionnaires ne reclameront aucun intérêt sur les sommes qui pourraient leur rester dues jusqu'à l'expiration d'une année après la présentation de ces comptes par les concessionnaires. A partir de ce terme les concessionnaires auront droit à l'intérêt de 5 pour cent.

Art. 11. Avant l'expiration de la présente concession (c'est-à-dire avant le 1^{er} février, 1905) les concessionnaires et le Gouvernement persan devront s'entendre sur les conditions d'un nouveau contrat pour l'exploitation de leur ligne, faute de quoi la ligne deviendra à cette date la propriété du Gouvernement persan aux conditions stipulées dans les concessions antérieures actuellement en vigueur.

Art. 12. Toutes les clauses des concessions du 11 janvier, 1868, et du 24 mai, 1869, qui ne sont pas annulées ou modifiées par la présente restent en vigueur.

Fait en double à Téhéran, le 12 août, 1882.

(Translation.)

The Imperial Persian Government having taken into consideration the request of the Indo-European Telegraph Company, on the prolongation of these concessions in Persia, the said concessions are modified and renewed in conformity with the following conditions and clauses:—

Article 1. The period of the concessions of the 11th January, 1868, and of the 24th May, 1869, is prolonged to the 31st January, 1905.

Art. 2. The Persian Government has already, by the concession of the 24th May, 1869, ceded to the actual concessionnaires, for the period comprised within the 1st January, 1870, and the expiration of the treaty of the 23rd November, 1865, all the rights that this treaty gives, and that the renewal of the treaty can yet give on the receipts on the transmitted messages sent on to the Tehran-Bushire line, and the English Government has approved of this arrangement, to which it adhered by the treaty of the 2nd December, 1872. The cession of these same receipts is prolonged by the present convention until the 31st January, 1905.

Art. 3. On the expiration of the treaty of the 2nd December, 1872, between the Persian Government and the English Government, the Tehran-Bushire line will be handed back to the concessionnaires unless the Persian Government concludes within this period with the English Government a new convention respecting this line on the same financial basis, the concessionnaires will be bound to observe all the conditions of this treaty which are applicable to a company.

Art. 4. The concessionnaires have already undertaken to pay to the Persian Government for twenty-five years (from the 1st February, 1870, to the 31st January, 1895) a rental of 120,000 fr. per annum, and, in consideration of the prolongation of ten years accorded by the present concession, the concessionnaires now consent to pay to the Persian Government an annual sum of 10,000 fr. besides the 120,000 fr. which is referred to above, this payment to commence from the 31st January, 1882, and to continue until the 31st January, 1905, being the period of the prolongation stipulated in the above article 1.

Art. 5. Paragraphs 1, 2, 3, 4, 5, 6, 7, 8 (two paragraphs), 9 (two paragraphs), 10 (two paragraphs), of article 2 of the concession of the 24th May, 1869, are annulled.

Art. 6. The final paragraph of article 11 of the concession dated the 11th January, 1868, is modified as follows:—

In the event of an interruption to the Persian Government wire of more than twenty-four hours, the concessionnaires will place one working (good) wire at the disposal of the Persian Government for four hours per diem until the Persian Government wire is restored, and this without a right to any compensation.

And in the event of contact between the Persian wire and one of those of the concessionnaires, the Persian Government will be authorised to make use of one good wire of the concessionnaires during the said contact and for the period above stipulated in case of interruption.

Art. 7. The concessionnaires undertake to lend to the Persian Government, in so far as lies in their power, advice, supervision, and assistance for the installation of new offices on the Persian Government line between Tehran and Julfa.

But the concessionnaires have not to bear for this any costs either in manual labour, nor in material, nor in apparatus, nor contribute towards the maintenance of the offices so installed.

Art. 8. From the date of this concession, the concessionnaires free the Persian Government of all costs of maintenance of its wire between Tehran and Julfa, and they will always use all their efforts to restore communication in the event of an interruption of this wire. In return for these services the Persian Government will obtain, for the superintendents and inspectors of the concessionnaires, every facility to allow them to travel with the greatest promptitude and safety possible.

The Persian Government will immediately consider any complaint made by the concessionnaires, of wilful damage done to the line, and will summarily punish any person guilty of such offence.

Art. 9. It is understood that from the date of this concession the concessionnaires will be entitled to one-third of all receipts derived from the Persian proportion of the price of messages emanating on the Persian section of the concessionnaires' line and exchanged with Europe, the Persian Government reserving to itself the two other thirds of these receipts.

Art. 10. The accounts relative to the above messages should be communicated to those concerned annually, as is exacted, by the concession dated the 11th January, 1868, for the other accounts between the Persian Government and the concessionnaires, and by concession the concessionnaires will claim no interest on the amounts that may remain due, until the expiration of one year after the submission of the accounts by the concessionnaires, from which date the concessionnaires will be entitled to 5 per cent. interest.

Art. 11. Before the expiration of the present concession (that is to say, before the 1st February, 1905), the concessionnaires and Persian Government should come to some understanding as to the conditions of a new contract for the working of their line, failing which the line from that date will become the property of the Persian Government on the conditions stipulated in the anterior concessions actually in force.

Art. 12. All the clauses in the concessions of the 11th January, 1868, and 24th May, 1869, which are not annulled or modified by this present remain in force.

Done in duplicate at Tehran the 12th August, 1882.

[5068]

No. 206.

Sir G. Barclay to Sir Edward Grey.—(Received February 12.)

(No. 64.)

(Telegraphic.) R.

Tehran, February 12, 1910.

RUSSIAN Minister has given me following details of what has passed between him and Persian Government about troops since fall of Minister for Foreign Affairs:—

He informed Government under instructions that Russia would not withdraw her troops under pressure, and that Persian Government must stop agitation against them. He afterwards received a private verbal message from Prime Minister, who said he was ready to make any concession, and in return hoped for Russian Minister's good offices for withdrawal of troops. Prime Minister added that he would resign if Medjliss did not adopt more friendly attitude towards Russia, to which my Russian colleague replied that he wanted deeds, not words, and would not even discuss privately troops' withdrawal until Persian Government proved their good intentions by a settlement of certain cases which he is pressing.

[5069]

No. 207.

Sir G. Barclay to Sir Edward Grey.—(Received February 12.)

(No. 65.)

(Telegraphic.) P.

Tehran, February 12, 1910.

IN continuation of my telegram No. 63 of the 11th February, I have the honour to report that Prime Minister has withdrawn his tendered resignation.

[5063]

No. 208.

Sir A. Nicolson to Sir Edward Grey.—(Received February 12.)

(No. 53.)

(Telegraphic.) P.

St. Petersburg, February 12, 1910.

PROPOSALS of His Majesty's Government for an advance to the Persian Government of 400,000*l.* by Great Britain and Russia.

M. Isvolsky tells me that the decision of the committee on Persian affairs was to accept our proposals in principle; but it would be advisable to await the receipt of an official intimation in writing, which his Excellency will send me shortly, as discussion may be necessary on some points of detail.

[4956]

No. 209.

Sir Edward Grey to Sir G. Barclay.

(No. 28.)

(Telegraphic.) P.

RUSSIA and Persia.

In an interview with Count Benckendorff, I mentioned matter referred to in your telegram No. 62, Very Confidential, of the 11th February, and pointed out that maintenance of Russian troops in Persia and apparent hopelessness of the financial situation might combine to bring about resignation of the Persian Government. I said that such a step would greatly increase the seriousness of the situation. In answer to Count Benckendorff's argument, that attitude of Russian press and disturbed condition of Medjliss precluded immediate withdrawal of troops, as had been originally intended, I said that agitation against presence of Russian troops would be restrained and position of Persian Government improved if the Anglo-Russian advance were immediately conceded and a generally conciliatory attitude adopted. I especially said that Russian interests would suffer as much as Persian through the chaos which would ensue if the present Government were not maintained. I, however, made only a passing reference to refusal of Russian Government to extradite Rahim Khan, and said nothing on the subject of M. Poklewsky's treatment of question of Russian protection.

Russian Ambassador said he would refer these views to his Government.

[4769]

No. 210.

Sir Edward Grey to Sir G. Barclay.

(No. 17.)

Sir,

Foreign Office, February 12, 1910.

I HAVE received your despatch No. 222 of the 27th December last, relative to the judicial murder at Nishapur of two Ismailis at the instigation of the Mahomedan clergy.

I approve your action in pointing out to the Persian Government the deplorable impression which would be produced in this country if the facts of the case became known, and in urging the punishment of the culprits and the dismissal of the governors of Darud and Nishapur, and I have to request you to take an early opportunity of returning to the subject and of stating that His Majesty's Government attach great importance to the exemplary punishment of the authors of these outrages.

I am, &c.

E. GREY.

[5066]

No. 211.

Sir A. Nicolson to Sir Edward Grey.—(Received February 13.)

(No. 54.)

(Telegraphic.) R.

St. Petersburg, February 13, 1910.

I HAVE received following memorandum from Russian Government:—

Russian Government are ready to join in immediate advance of 400,000*l.* to Persian Government. They agree with His Majesty's Government that advance should not be overloaded with too onerous conditions, and that programme elaborated by two Ministers at Tehran could serve as a basis for negotiations with Persian Government. They, however, think it necessary that interest on advance should be 8 per cent. or at least 7 per cent., as former loans bore 9 to 12 per cent. interest, and a future external loan could hardly be realised at less than 7 or 8 per cent. interest. Further, Russian Government would prefer that advance should in the first place be guaranteed on customs revenues, and that mint profits should serve only as a supplementary guarantee. Instructions in the above sense have been telegraphed to Russian Minister at Tehran, who has at the same time been invited to arrange with his British colleague that article 4 of conditions referring to railway question should be so drawn up as to exclude possibility of fictitious Persian companies being formed for railway construction with foreign capital to the detriment of Russian and British interests.

Russian Government hope that His Majesty's Government will send similar instructions to Sir G. Barclay.

[5067]

No. 212.

Sir A. Nicolson to Sir Edward Grey.—(Received February 13.)

(No. 55.)

(Telegraphic.) P.

St. Petersburg, February 13, 1910.

RUSSIAN troops in Persia.

Sir G. Barclay's telegram No. 62 of the 11th February.

It cannot be denied that the retention of the Russian troops in Persia has continued for a longer period than would seem to be justified by the circumstances, but the proceedings in the Medjliss occurred at the very moment when M. Isvolsky was on the point of proposing their withdrawal. I would submit that we should be most careful to avoid giving the impression here that we have any inclination to disapprove of Russia's attitude, or that we are falling in with the views of the Persian Government.

The Russian Government consider that they have shown great forbearance, and have been particularly patient, that order has only been preserved by the presence of the Russian troops, and that the Nationalist cause has, on at least two occasions, viz., at Ardebil and at Tabreez, been benefited thereby. The proceedings in the Medjliss have been received with calm by the Russian Government, who have now consented to contribute their full share of the proposed advance, and in the circumstances I think

they deserve much credit for doing so. When we have strengthened our consular guards at various places in South Persia the Russian Government have never raised any objection, or criticized our action, nor was any exception taken to our proceedings when we landed a strong detachment at Bushire, or when we seized a dépôt of arms, *manu militari*. If we were now led to take any action, or make use of any language, whereby the Persians might be induced to believe that there was a divergence of views between the two Governments, the good and cordial feeling which has up to now characterised the execution of our convention would thereby be impaired.

The press and public are at the present moment much engaged in the discussion of Anglo-Russian relations generally, and it is therefore especially important just now that we should be very careful not to give any handle to our opponents.

It is in view of this circumstance that I have ventured to make the above observations.

[5097]

No. 213.

Sir G. Barclay to Sir Edward Grey.—(Received February 14.)

(No. 2 A.)

Sir,

WITH reference to my telegram No. 788 of the 24th November last, I have the honour to transmit to you herewith copy of a despatch which I have received from His Majesty's acting consul-general at Tabreez, reporting the abortive negotiations at Soujboulak between Imam Kuli Mirza and the Russian Road Company for the navigation of Lake Urumia.

I have now, as already reported to you in my telegram No. 24 of to-day's date, agreed, in view of the danger of the concession falling under German control, to join my Russian colleague in demanding the concession for the Road Company as one of the conditions for a joint advance to the Persian Government, provided the Russian Government consents to increase its moiety of the advance to 200,000L

I have, &c.

G. BARCLAY.

Enclosure in No. 213.

Acting Consul-General Smart to Sir G. Barclay.

(No. 40.)

Sir,

WITH reference to my telegram No. 216 of the 20th instant, I have the honour to submit the following account of the abortive negotiations with Imam Kuli Mirza regarding the navigation of the Lake of Urumia:—

The great difficulty in the negotiations lay in the Prince's reluctance to discuss the matter with the Russians direct. He was ready to treat through Mr. Stevens or myself with them, but his aversion to direct negotiations was almost insuperable. It was only after much pressure that I was able to induce him to be present at two or three conferences with the Russians.

Immediately after our arrival at Soujboulak I requested Mr. C. Stevens to open negotiations with Imam Kuli, and explain to him the necessity in his own interests of entering into an arrangement with the Julfa-Tabreez Road Company. Mr. Stevens found the Prince obdurate. I then paid him a visit. In answer to my advice he discoursed at some length on certain defects of Russian character, and declared that he could not enter into association with a people whose nature he knew to be radically evil. However, I at last succeeded in inducing him to take a less emotional view of the case, and he consented to open negotiations provided he received satisfactory guarantees. On the next day M. Belaiew (secretary of the Russian consulate-general), M. Triskinski (director of the Road Company), Mr. Stevens, and myself called on the Prince, who declared that he could not make any arrangement without being granted the protection of the British and Russian Governments. He laid special stress on the protection of the British Government, which, he said, was more efficacious against the Nationalists, who would assuredly attack him if he gave the concession to the Russians. I expressed doubt as to whether His Majesty's Government would consent to grant such protection, especially as they have no direct interest in this concern. However,

M. Belaiew begged me not to make difficulties on this point, which, he believed, might wreck the negotiations. I therefore promised to ask for instructions. On the next day the Prince presented his draft project, which, besides containing impossible financial conditions, ended up with a clause to the effect that in the event of disputes between Imam Kuli and the Road Company the British Government was to be the Arbitrator. I pointed out to the Prince the absurdity of expecting the British Government to incur such responsibility in a matter which scarcely concerned them. He was, however, extremely obstinate on this point, which, I think, largely contributed to the failure of the negotiations. He argued that by giving the concession to the Russians he would incur the bitter enmity of his Government and people, and would practically become a *sans patrie*. He would then be entirely at the mercy of the Russians, who, he believed, would leave him in the lurch if it suited their policy to do so. He must therefore have a third Government behind him to supply the place of his own, which would no longer protect him. After much arguing I thought I had succeeded in persuading him to forgo this demand, and to agree to a formula providing for arbitration by Arbitrators to be appointed by both parties themselves. It would be too long to describe the weary negotiations which followed. The Russians offered very good terms, and once or twice it almost seemed as if an agreement would be reached. But the Prince, whose irresolution is remarkable even for a Persian, changed his mind from day to day. At last, convinced that he had no intention of coming to an agreement and was purposely proposing impossible conditions, we offered him our last terms, which he refused to accept, whereupon we left Soujboulak.

I am inclined to think that at one time the Prince intended coming to an agreement, but, perhaps, only on the condition that he should receive British protection, not only against Persia, but also against Russia. When he saw this could not be secured, his ineradicable distrust of the Russians and the threats he was undoubtedly receiving from Tehran and Tabreez while we were at Soujboulak made negotiations with him hopeless. He showed no telegrams, purporting to have come from Sardar Assad, of a menacing nature, strictly forbidding him to come to terms with foreigners. Moreover, an emissary from Tabreez, either from the Anjuman or the Persian syndicate which covets the lake, followed us to Soujboulak. After his arrival the Prince became even more hopeless than before.

I am inclined to think that Imam Kuli Mirza, who is not without religious fanaticism, weighed the advantages and disadvantages of the question according to his own lights, and finally decided to risk losing the lake rather than losing his happiness in this world and the next. He is proud of his rank as a Prince of the Blood, and the idea of losing the very general respect with which his countrymen invariably treat him must have been very painful to him. He is an old man, and no doubt thinks it preferable, even at the cost of some pecuniary sacrifice, such as involved in the loss of the lake, to end his life in peace and honour on the riches he already possesses rather than to enter into a combination, which he considers of uncertain material advantage to himself, with the hated Russians, the traditional enemies of his country and religion. When I pointed out to him the folly of his conduct and insisted on the point that the Russians would inevitably get the lake sooner or later he quite agreed with me, but said he preferred losing the lake to entering into a combination with the Russians, which would immediately ruin him as far as his honour is concerned, and in the end would probably ruin him materially. Against the old man's obstinate hatred of the Russians and his very real fear of his own people it was hopeless to argue. It is, of course, within the range of possibility that his obstinacy was due to hopes he had been given of German support.

Imam Kuli is undoubtedly in negotiation with the Persian syndicate. This syndicate has forwarded to the Medjliss an application for the concession of the roads round the lake, one-third of the shares to be open to foreigners. Mukhber-es-Sultaneh told me that the scheme in its present form is quite impracticable, but that it might be modified and rendered workable. In that case he thought that the syndicate would go into partnership with Imam Kuli for the navigation of the lake. The governor declared that Imam Kuli's concession is valueless, as it is a "tiyyul," which has been abolished by Parliament. Imam Kuli's own declarations regarding his firmans contradict this statement, but, as nobody appears to have seen his documents, it is difficult to be sure of the matter. In any case, it is quite evident that this Persian syndicate either already has an understanding with Imam Kuli or is working for such an understanding. If the lake falls into its hands, there seems to be little doubt that German influence, either secret or open, will be predominant in the concern. The Persians are incapable of managing the navigation without foreign assistance, and a

Persian company, of which Agha Rahim is the leading member, is sure to look to the Germans for help. It is not impossible that Imam Kuli, terrified of the consequences of his opposition to the Russians, may rush into an agreement with the Germans in order to find protection against Russian attacks. It would, however, be difficult for him to associate Germans directly in the enterprise. In a moment of confidence he told me that in one of his firmans it was expressly stated that he had not the right to associate foreigners with himself in the navigation of the lake, but that, if ever the Persian Government relaxed this restriction, Russians must have the preference over all other foreigners. In view of this, it would be difficult for the Germans to participate directly in the enterprise. The danger is rather from some Persian combination backed by Germans. This danger cannot be disregarded, and it would be unwise to lose any time in taking the necessary steps to obtain the concession for the Road Company from the Persian Government direct.

I have, &c.
W. A. SMART.

[5098]

No. 214.

Sir G. Barclay to Sir Edward Grey.—(Received February 14.)

(No. 3.)
Sir,

WITH reference to my despatch No. 220 of the 17th ultimo, I have the honour to transmit to you herewith copy of a despatch from His Majesty's acting consul at Shiraz, regarding the present situation in the province of Fars.

This despatch formed the subject of my telegram to you No. 1 of the 1st instant.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 214.

Acting Consul Bill to Sir G. Barclay.

(No. 49 M.)
Sir,

IN view of the deplorable occurrence of the past month, which has been set out in my "Shiraz News," I desire to modify to some extent the views expressed in the scheme forwarded with my despatch No. 36/M, dated the 1st September, 1909. The Boir Ahmadi marauders have for more than a month been operating to an extensive scale at various points, ranging from Dastarjin, 40 miles below Shiraz, to the Urchin Pass, in the near neighbourhood of Ispahan, and each of their large robberies has been perpetrated by a band certainly exceeding 100 in number. Moreover, they have shown the utmost determination whenever they have been resisted, and their success in pillaging completely a caravan protected by Russian and Persian cossacks, and by the prestige of the Russian consul-general, has made them so bold that, until they have been chastised, I fear there could be no hope of success for any force composed of Persians and organised on the lines suggested in my despatch above quoted, even if increased to 600 men. I doubt whether any inhabitants of Fars, except the Kashgai, would face a strong body of Boir Ahmadi at all, even with a strong numerical superiority, and I question whether even the Kashgai would face them, except with very superior forces. Although there is no definite evidence, I have personally very little doubt that they did not enter upon this very extensive series of robberies without some kind of assurance from Soulet-ed-Dowleh that he would not view their proceedings with disfavour, but in this province, as the Kawami family have often found in their dealings with the Khamseh, it is much easier to start people robbing than to stop them, and it is very doubtful whether Soulet himself could keep the Boir Ahmadi permanently quiet now, although it is probable that a threat of reprisals from him would lead them to desist until the next favourable opportunity.

2. In this connection I enclose, for your information, an account given by one of the sufferers of a robbery which was reported in "Shiraz News" for the 8th December, 1909, and is very typical of the recent occurrences on the Bushire-Ispahan trade route. It will be observed that in this case, although a single Kashgai is reported to have been present, there is no suggestion that the Kashgai participated in any force, and the robbers were Boir Ahmadi. There can be no doubt, I think, of the correctness of the

statement that only genuine co-operation between the Kashgai and Bakhtiari would avail for the complete subjugation of this marauding tribe, as, unless they were attacked on both sides simultaneously, it would be extremely difficult to corner so active and hardy a race of mountaineers. Of this co-operation there appears to be a very scanty prospect. The Kashgai in general, and their Ilkhani in particular, are intensely jealous of the prominent position in Persia which recent events have given to the Bakhtiari, whom they consider inferior to themselves both in courage and in numbers, and there would be a serious danger of operations, undertaken in common by Kashgai and Bakhtiari, turning into hostilities between them.

3. I venture to suggest that the situation, which is merely the logical development of the gradual collapse of prestige which the last few years have brought upon the central authority, has now reached a point at which it demands the serious attention of foreign Powers interested in Persia. The movement, not merely of legitimate commerce, but even of individual travellers, is now attended with so much danger, in spite of the laudable energy displayed by the present Governor-General, that it is nothing short of a farce to continue to treat with the Persian authorities on the usual assumptions which underlie all intercourse between civilised nations. As an illustration of the present feeling in Fars, I may quote the remark made by a muleteer recently arrived from Bushire to the local agent of Messrs Ziegler. The latter asked the muleteer to go to the British consulate to give me an account of his experience on the road "What is the good of going to the consuls," was the reply, "when they cannot even defend themselves?" The remark is perfectly justified, seeing that at the present moment the Russian consul-general is unable to proceed to his head-quarters at Bushire on account of the recent attack upon him, and there is no immediate prospect of his being able to attempt the journey. The same considerations, of course, apply to the withdrawal of the British detachment at Shiraz. While I have very little doubt of their ability, owing solely to the presence of the Maxim gun, to force their way to the coast, I should be very sorry to recommend a movement which could not be carried out without serious risk of loss of life. This position of affairs would be of less importance if it were possible to discern the slightest prospect of an improvement in the essential features of the situation. But of this, as I have already indicated, there is at present no sign whatever. On the contrary, the conditions which have rendered possible the deplorable events of the last few weeks, seem to be about the only thing in Persia which shows unmistakable signs of permanence.

4. The policy of His Majesty's Government is authoritatively stated on page 43 of the Persia Bluebook, No. 2, of 1909, namely, that "His Majesty's Government are disposed to think that the best course to adopt would be for Great Britain and Russia to stand entirely aloof from the internal affairs of Persia, allowing the existing chaos to endure until whatever element in the country is strongest gains the day. During this interval they would be prepared to face the danger which might be involved to British commercial interests." In the face of this statement of policy it is with considerable diffidence that I venture to suggest that the time must infallibly come, if it has not come already, when mere abstention will no longer meet the urgent necessities of the case. I can only base this suggestion on the fact, which appears to me patent, that the situation cannot get permanently better and must get worse, and that there is no sign that the period of anarchy during which His Majesty's Government are prepared to face the danger to British commercial interests will reach its anticipated term in the triumph of some definite element in the country. On the contrary, the whole of Persian history is a constantly recurring series of periods of more or less prolonged disorder, frequently lasting for several decades.

5. The form of action which I venture to put forward as the least objectionable is the following:—

His Majesty's Government would notify the Tehran authorities that on account of (a) the extreme danger to foreign subjects whose legitimate avocations compel them to travel from place to place in Persia; e.g., in 1909 alone, the robbery of Mr. Gentleman in March, Mr. Linton and Mr. Smith in April, Mr. Middleton in June, Messrs. Wright and James in August, and the Russian consul-general in November, every one of which robberies has remained absolutely unpunished; (b) the evergrowing list of foreign claims for goods robbed on the trade route, which has risen in 1909 in Fars alone from 40,609·3 tomans to 57,063·8 tomans; (c) the regular increase in the wilful damage account of the Indo-European Telegraph Department which is already about double the last year's total (1st February, 1908-1st February, 1909), and of yet more importance, the continual danger of assault and robbery run by the telegraph ghulams on repairing

duty, which has frequently menaced the line with total interruption owing to the natural reluctance of the men to go out, the time has come for the Persian Government to show its ability to establish and maintain order, or to acquiesce in the punishment of the most prominent offenders by a British force, the co-operation of a Persian force, if thought desirable, being welcomed. On the eventual collapse of the Persian effort, if made at all, the landing of a British punitive force would follow.

6. The tribe to be singled out for punishment is in my opinion the Boir Ahmadi Kuhgelu. They have been the most conspicuous marauders of the last year; they have acquired a great reputation, and their condign punishment would produce a corresponding effect among other robber tribes; their country, in the hinterland of Behbehān, is comparatively accessible from the sea, and a march through it, with the destruction of their towers, and the capture or starvation of their flocks, could be effected without necessarily involving hostilities with any other tribe. It would, however, as indicated above, be a difficult matter to corner them, and they would probably move *en masse* into Bakhtiari or Kashgai territory, or in the direction of Yezd; and I would certainly not suggest their being followed up in either contingency. I believe, though, that their continued presence would be so irksome to the tribe harbouring them that these would readily do for us what they would not do for each other, and compel them to submit, especially if threatened with a British attack.

7. As a civilian, I should hesitate to volunteer recommendations as to the strength or composition of the force required, which could be better estimated by the Intelligence branch in India, but it is obvious that the season for operations is the spring or autumn, and that the expedition could be begun from either Ahwaz or Bunder Dilam.

8. Of course, Persia is a country of kaleidoscopic changes, and it is possible that the next few weeks may produce some unforeseen change for the better; but I have felt it my duty to emphasise the fact that no signs of any such change are to be discerned, and to lay before you what is in my judgment the only possible means of restoring conditions in which British trade and travellers can circulate without serious danger to life and property. I would point out in conclusion that if the necessity of active measures is recognised, the sooner they are undertaken the better, as with each successful robbery the robbers become better armed, better organised and bolder.

I have, &c.
J. H. BILL.

Enclosure 2 in No. 214.

Statement of Meshedi Kamber, Behbehānī.

I WAS with a caravan consisting of 162 mules and ten donkeys from Bushire to Shiraz.

At Ahmadi they took 12 krans per kamand (= *circa* 25 mules), and sold barley at 2·25 krans; local price being 1·50 krans.

At Borasjun same as above.

At Daliki, the same. Kah also 2 krans; local prices 1·50 krans.

At Daliki Bridge, 4 krans per kamand.

At Konartakhteh and Kamarij, no improper charges. Mullah Khursid is doing well.

At Kazerun, ditto.

No illegal charges this side of Kazerun.

We reached the tower on the Sina Safid about 11 A.M. We had with us fourteen tufangchis from Dastarjin, two soldiers and one sowar of Fath-ul-Mulks. The robbers held the ridge above the road from the tower ("burj") to the spring (Chashma-i-Mervard). The first shot was fired in front, killing the sowar. The tufangchis, who were also in front, ran away, and the robbers closed in on the rear of the caravan. They carried away the whole of the caravan, and stripped and beat us. They carried away one of my men, Idi by name. They took him to a point called Haft Barm-i-Kudian, 3 farsakhs up stream from the Zinian bridge; there they tied his hands and left him. They took him along to help with the mules.

My personal loss was forty-five mules and two donkeys, with all my clothes, and 100 tomans—all I possessed.

The robbers are a section of Boir Ahmadi called Tamuradi. They were enemies of Karim Khan, and as long as he lived they inhabited the Bakhtiari country. Since last

year they have come east. Their leader is Koi (Kaid?) Muhammad Ali. They have recently raided Bakhtiari territory with Mullah Kobad, and carried off 12,000 sheep.

Our loads were mainly piecegoods. The Boir Ahmadi sell these mainly in Ardakan and Behbehān.

The only way of dealing with them is for the Bakhtiari and Soulet-ed-Dowleh to co-operate. The whole Boir Ahmadi tribe could raise 10,000 men; few mounted. They are each equal to one Kashgai, and 100 of the other inhabitants of Fars. They have four strong towers, which could not be taken without artillery.

One Kashgai was seen in the band of robbers.

Principal robbers among Boir Ahmadi are now Ka Zafar, Mullah Ali Panah, Koi Hasal. They have plenty of Martinis, few magazine rifles. Since Karim Khan's death they have dropped cultivation entirely. They have no settlements.

Karim Khan left two sons, 6 or 7 years old. The present titular chief is Shukullah, half brother on the mother's side of Karim Khan. The general idea is that he is only temporary, till Karim Khan's sons grow up.

Q. Would it be possible to punish them by excluding them from their markets?

A. No. Since there has been no Shah and no governor (*sic*), we are all obliged to keep in with the robbers. Anyone who refused them anything would certainly be killed in the long run.

[5099]

No. 215.

Sir G. Barclay to Sir Edward Grey.—(Received February 14.)

(No. 4.)
Sir,

Tehran, January 23, 1910.

I HAVE the honour to transmit herewith a copy of a report which M. Bizot has submitted to the Minister of Finance recommending the engagement of a foreign treasurer-general and of six other foreign experts in the Department of Finance.

The relations of France with the two Powers which are the creditors of Persia, the presence of M. Bizot at Tehran as financial adviser to the Persian Government, and the application of the Persian Government to the French Government in the spring of last year for the loan of French financial experts combine to indicate France as the Power to which it is desirable that Persia should now apply for the seven officials whom M. Bizot considers necessary, and a condition *sine quâ non* of the joint advance from the two Powers, which is now the subject of pourparlers between London and St. Petersburg, should be the formal invitation from the Persian Government to the French Government to lend the seven experts.

My Russian colleague and I were in hopes at one time that the Persian Government would, for reasons of *amour-propre*, apply to the French Government spontaneously in the sense desired, which might have staved off objections from any other Power; but though the Minister for Foreign Affairs told us that the Cabinet had decided to adopt M. Bizot's recommendations and to apply to France for the experts in question, no steps have yet been taken to give effect to this decision, which doubtless would require the approval of the Medjliss. My Russian colleague tells me that the German Ambassador at St. Petersburg has already raised the question of the rights of other Powers in the matter of advisers, showing that Germany, while recognising the preferential rights of the two Powers as against others to demand the engagement of their own nationals, expects equal treatment in this matter as compared with other Powers. It is therefore more than ever desirable that the Persian Government should act with an appearance of spontaneity, and we are urging the Minister for Foreign Affairs to spare us the necessity of imposing, as a condition to the proposed joint advance, a reform which the Cabinet have admitted to be necessary.

As you are already aware, M. Bizot's contract expires towards the end of next month. He would certainly refuse to renew it. But feeling that he is under a moral obligation not to leave at a moment when there at least seems some possibility of Persia's profiting by his advice, he is willing to remain in the Persian service provisionally, should the recommendations in his report be adopted, in which case he thinks he could be most useful if he went to Paris to aid and hasten the French Government in its selection of the officials needed. He would return with them to

Tehran and start them in their work, after which he thinks the post of adviser might be abolished.

I have, &c.
G. BARCLAY.

Enclosure in No. 215.

Report by M. Bizot.

SON Excellence le Ministre des Finances m'a fait l'honneur de me demander quelles seraient, à mon avis, les mesures immédiates à prendre pour réaliser les réformes nécessaires dans son administration.

J'ai résumé, dans le présent rapport, la situation actuelle, ses défauts, les améliorations qui ont été apportées déjà, celles qui restent à faire pour consolider et étendre les résultats obtenus.

La base de l'organisation financière se trouve dans les budgets provinciaux et le budget de l'Administration centrale.

(A.) Les budgets provinciaux comprennent :—

1. Un état sommaire des impôts à percevoir dans la province.
2. Une liste des dépenses imputées sur les revenus de la province.

Recettes.

Les ketabjes des provinces n'indiquent comme recettes qu'une somme globale. Cette somme reste à peu près immuable d'année en année. Elle ne varie que lorsque des réductions d'impôts ou des exemptions ont été accordées à certains contribuables, soit par faveur, soit à la suite de réclamations. La caractéristique de ces exemptions partielles ou totales est que, une fois accordées, elles sont acquises pour l'avenir, indéfiniment, bien que la raison qui avait pu les faire admettre—une mauvaise récolte, par exemple—n'eût été que passagère.

Toute réduction ou suppression inscrite à un budget provincial y demeure à perpétuité.

La fixité de l'impôt dans chaque province a pour conséquence une très grande inégalité dans la répartition des charges ; des terres, aujourd'hui incultes ou abandonnées, continuent à payer le maliat, tandis que des villages très riches en sont exempts.

L'impôt qui frappe les boutiques devrait s'adapter aux transformations constantes de l'industrie et du commerce. Sa fixité, comprise d'une façon aussi absolue, aboutit aux pires injustices.

A Téhéran les petits sarafs du bazar paient le maliat, tandis que les grandes banques ne sont pas imposées.

L'Etat se trouve privé des augmentations de recettes qui devraient être le corollaire du développement du pays.

Le gouverneur est responsable du recouvrement de l'impôt assis sur des bases aussi peu rationnelles ; lorsqu'un contribuable disparaît, le gouverneur doit réclamer à un autre ses impositions. Il le fait sans règle ni contrôle. Un tel système ne devait-il pas, sinon autoriser, du moins inciter les gouverneurs à prendre les mesures arbitraires qui leur ont été si souvent reprochées ?

Les listes officielles des redevables de l'impôt qui se trouvent dans la province sont comme l'impôt lui-même—à peu près immuables. Or, de nombreux changements se sont produits depuis la confection de ces listes, les villages ont changé de propriétaires, des contribuables ont disparu. A côté des listes officielles, les collecteurs d'impôts tiennent des notes où ils inscrivent les noms des personnes auxquelles ils ont l'habitude de réclamer le maliat. Ceux qui sont depuis longtemps dans un district savent à qui ils doivent s'adresser et n'ont pas même de listes de perception.

Contre l'arbitraire des gouverneurs et des collecteurs d'impôt, les contribuables n'ont d'autre garantie que sa fixité. Ils protestent contre les taxes qu'ils n'ont pas coutume de payer ; mais ils n'ont aucun recours légal contre les mesures coercitives des gouverneurs.

On sait que les gouverneurs ont, avec le temps, réussi à majorer les contributions officiellement assignées à leur province. Ils se sont créés des ressources occultes dont on ne peut pas toujours réussir à leur faire rendre compte.

Dépenses.

Si les budgets des provinces n'indiquent pour les recettes qu'une somme globale, ils donnent au contraire le détail très complet des dépenses. Ces dépenses ne sont pour la plupart et, sauf celles de l'armée, que des dépenses de traitements ou de pensions classées suivant le rang social des bénéficiaires.

(B.) Le budget de l'Administration centrale est alimenté par l'excédent des recettes des provinces et les revenus de l'Etat autres que le maliat. Les dépenses comprennent les dépenses de la cour, des Ministres, et les dépenses extraordinaires.

Les totaux de ces divers budgets devraient être, et étaient autrefois, additionnés pour faire apparaître leur résultat d'ensemble, soit en équilibre, soit avec un excédent de recettes ou un déficit.

On a depuis plusieurs années renoncé à ce travail, dont les conclusions eussent été trop évidentes ; d'ailleurs, chaque année, les dépenses imprévues non inscrites dans les budgets venaient en rompre l'équilibre. On payait ces dépenses considérées comme urgentes et on laissait en suspens d'autres dépenses prévues, sans songer qu'on augmentait ainsi la dette du pays.

La multiplicité des budgets a occasionné des abus, qui ont été maintes fois signalés. Beaucoup de personnes ont réussi à se faire allouer plusieurs pensions ou plusieurs traitements payables dans diverses provinces sans que puisse apparaître l'importance injustifiée du chiffre total de ces rémunérations.

En présence de cette situation bien connue et incontestée un Ministre des Finances désireux de faire des réformes devait s'imposer le programme suivant :—

1. Dresser un budget unique comprenant toutes les recettes et toutes les dépenses de l'Empire ; classer les dépenses dans un ordre logique, conforme à la répartition actuelle des services par Ministère avec un chef responsable.

2. Créer dans chaque Ministère un comptabilité uniforme répondant à la nouvelle organisation budgétaire et, au Ministère des Finances, une comptabilité générale de toutes les opérations de recettes et de dépenses prévues au budget—comptabilités ayant pour point de départ les votes du Parlement et destinées à faire respecter sa volonté.

3. Assoir le maliat sur des bases rationnelles, donner à cet impôt la souplesse qui lui permette de suivre les variations de la matière imposable et de bénéficier du développement commercial et industriel du pays.

Dresser des rôles réguliers, atteindre les personnes exemptes à tort, donner aux contribuables des garanties contre les impositions illégales et abusives.

4. Créer à Téhéran et dans les provinces des bureaux de perception et de paiement, entre les mains d'agents du Ministère des Finances, pour soustraire ces services à l'omnipotence des gouverneurs.

Donner aux contribuables des garanties d'encaissements réguliers, conformes aux rôles préalablement dressés, et, aux créanciers, l'assurance d'être payés.

5. Mettre ces bureaux sous les ordres d'un chef responsable, et organiser la centralisation des recettes et des dépenses des diverses administrations pour affirmer les droits supérieurs du Ministère des Finances dans l'exécution du budget.

6. Pourvoir, par des impôts nouveaux, à l'insuffisance des ressources actuelles.

7. Créer une cour des comptes.

Le Ministre des Finances s'est mis au travail avec ardeur ; il a voulu commencer cette œuvre difficile :—

1. On a créé au Ministère un Bureau du Budget, qui a pour mission de rédiger en une forme claire les anciens budgets des provinces. Ce travail était le préliminaire indispensable à la confection d'un budget unique conforme aux règles d'une moderne comptabilité d'Etat.

2. Les différents Ministres ont été invités à fournir la liste des dépenses de leur département, classées par service.

3. Des comptes, encore sommaires il est vrai, ont été tenus au Ministère des Finances, de toute les autorisations de paiement soumises à la signature du Ministre. On se propose de donner peu à peu à ces comptes de plus grands développements.

4. Les recettes, qui restaient autrefois à la disposition du Ministère des Finances entre les mains de ceux qui les percevaient, ont été versées à la Banque Impériale à un compte de Trésorerie ; le Ministre des Finances peut seul en disposer.

Afin d'éviter les dangers de la formation d'une nouvelle dette flottante, on a décidé que ce compte présenterait toujours un solde créditeur.

5. Une caisse dépendant du Ministère des Finances a été fondée sous le nom de Trésorerie de Téhéran. On a voulu faire pour la province de Téhéran, un essai de perception du maliat d'après les principes déjà exposés.

On a dressé les rôles de la province et confié à cette caisse le soin de recouvrer l'impôt.

Le but était de créer un champ d'expérience avant d'étendre à toute la Perse un système nouveau. Cet essai a fait apparaître les vices de l'organisation actuelle, la difficulté de connaître les véritables débiteurs de l'impôt, la nécessité d'une réforme complète de l'assiette de l'impôt.

6. Le Ministère des Finances a déposé à la Chambre, pour être soumis à son approbation, un projet de loi sur la comptabilité publique.

7. L'organisation d'une Cour des Comptes est à l'étude; un projet de loi sera prochainement remis à la Chambre.

Nécessité d'engager des Agents européens.

On est donc entré dans la voie des réformes. Il faut poursuivre et mener à bien l'œuvre commencée.

Pour éviter les lenteurs, les hésitations, et les fautes que l'inexpérience pourrait occasionner dans l'application de principes nouveaux ou depuis longtemps abandonnés, pour aller directement au but poursuivi, le Gouvernement doit faire appel au concours d'hommes éprouvés, rompus à ces méthodes de progrès.

Organisation d'un Service de Trésorerie.

La tenue d'une comptabilité en parfait accord avec les autorisations budgétaires, pouvant fournir à la Chambre la preuve qu'aucune dépense non approuvée n'a été payée, que les impôts ont été perçus, les revenus de l'État encaissés conformément à la loi, suppose que des agents de l'État soient placés sous les ordres d'un chef ayant pour principal souci de leur enseigner les règles essentielles et de les faire respecter.

Il faut, dans chaque province, installer des trésoreries locales dont les opérations soient centralisées à Téhéran et désigner à Téhéran un trésorier général, appliquant partout les mêmes règles, vérifiant les comptes de ses subordonnés avant de les adresser au Ministre des Finances, rappelant les agents à l'exécution de leurs devoirs, renseignant chaque jour le Ministre sur la situation financière.

Je propose que les fonctions du trésorier général soient confiées à un agent européen, parce que les réformes sont urgentes, et qu'en l'état actuel un fonctionnaire européen me semble naturellement indiqué pour initier sans retard les agents persans à ces méthodes nouvelles.

Ce fonctionnaire européen devrait être fortement appuyé par le Gouvernement Impérial afin qu'il ne se laisse rebouter ni par les obstacles inhérents à cette œuvre, ni par l'opposition de ceux qu'elle lèsera dans leurs habitudes ou leurs intérêts particuliers.

Le trésorier général aurait pour mission—

1. De percevoir le maliat et les autres revenus ne faisant pas partie d'une administration distincte.
2. De payer les dépenses publiques conformément aux autorisations budgétaires.
3. De centraliser les revenus de l'Empire.
4. De centraliser et de vérifier les comptes des agents de Téhéran et des provinces sous ses ordres.

Il devrait être assisté d'un comptable européen connaissant par une longue pratique tous les détails des écritures, et d'un inspecteur également européen, chargé d'organiser les services dans les provinces, de les vérifier sur place, et de rendre compte à son chef des difficultés d'exécution.

L'examen de ces difficultés journalières donnera au trésorier général, plus que tous les renseignements recueillis au cours d'études préliminaires, l'occasion de connaître les besoins du pays, les vices d'organisation dont il souffre, et d'apporter toutes les améliorations désirables dans une voie nettement tracée.

Création du Service des Contributions directes : Organisation de la Propriété immobilière.

Un des grands principes des législations financières modernes est de confier à des agents distincts l'assiette et la perception de l'impôt.

Les agents qui fixent la quote-part de chacun dans la répartition de l'impôt et liquident les droits de l'État n'ont pas qualité pour percevoir ces droits. Les collecteurs des impôts n'interviennent pas dans la liquidation des taxes; ils les encaissent suivant des rôles ou états préalablement établis par une administration distincte et indépendante.

L'application de cette règle donne de sérieuses garanties aussi bien aux contribuables qu'à l'État contre les erreurs et les exactions des agents du Fisc.

Ce principe ne peut pas toujours être observé, mais il doit être absolument respecté en ce qui concerne les impôts directs, le maliat.

La création du Service des Contributions directes est nécessaire—

1. Pour remédier aux inconvénients d'un système de fixité dans le montant de l'impôt appliquée avec une nuisible rigueur.

2. Pour faire cesser les difficultés de perception signalées par les agents de la caisse de Téhéran, rendre sans effet le refus de certains anciens perceuteurs de se dessaisir de leurs listes coutumières, de livrer le secret de leurs opérations.

3. Pour donner aux contribuables un recours contre les erreurs et les abus.

Cette administration sera chargée de préparer les lois en matière d'impôts directs, de liquider les taxes en exécution de ces lois, et de dresser les rôles annuels destinés à être remis aux agents de perception.

L'impôt foncier ne pourra être réparti avec équité sans un recensement ou cadastre général des propriétés immobilières. C'est encore à l'Administration des Contributions directes qu'il appartiendra d'étudier les conditions d'exécution de ce cadastre.

Ce serait sortir de mon sujet que d'exposer la marche à suivre pour arriver à une prompte révision du revenu des propriétés immobilières devant servir de base à l'impôt. Je voudrais appeler l'attention de la Chambre sur une réforme qui pourrait être commencée en même temps que le cadastre et qui, si elle était adoptée, simplifierait le travail et en réduirait les frais.

La question de l'organisation de la propriété immobilière touche en Perse aux intérêts les plus graves. Tout le monde connaît les dangers auxquels s'exposent ceux qui veulent acheter un immeuble ou faire un prêt sur hypothèque. S'agit-il d'acheter une terre, le vendeur présente des titres parfaitement en règle, revêtus de toutes les signatures et formalités requises. Ces titres ne donnent cependant aucune garantie à l'acquéreur, qui peut toujours craindre d'être évincé par suite d'une revendication s'appuyant sur un titre plus ancien ou sur un achat antérieur.

Un propriétaire veut-il emprunter en donnant hypothèque sur sa terre, on hésite; le prêteur ne sait pas si cette terre n'est pas déjà gênée de charges qui rendront illusoire son droit de préférence.

Ces craintes sont si réelles que l'hypothèque n'est plus en usage; on lui substitue la vente avec droit de rachat. Cette forme de contrat offre le grave inconvénient de priver le propriétaire de la possession et des revenus de son bien; elle n'empêche pas les contestations fréquentes et les procès coûteux.

Les propriétaires fonciers sont obérés de dettes et ne peuvent plus faire appel au crédit.

Pour obvier aux dangers que je signale, on a adopté divers systèmes d'organisation immobilière. Un des plus perfectionnés est connu sous le nom de système de l'"Act Torrens." Il a été introduit en Australie en 1861 et copié depuis, en Tunisie, notamment, avec quelques modifications. Les principes essentiels sur lesquels repose l'économie de ce système peuvent se resumer ainsi: Les propriétaires fonciers qui désirent s'y soumettre—ce système est facultatif—déposent leurs titres dans un bureau de l'État et font une demande d'immatriculation. Ce bureau examine les titres, les vérifie, procède à toutes les enquêtes, opérations de bornage ou autres destinées à établir d'une façon précise l'étendue et la délimitation de la propriété.

La demande d'immatriculation est publiée dans les journaux, affichée dans les localités intéressées, pour permettre à tous ceux qui prétendent avoir des droits sur le même immeuble de les faire valoir. Les réclamations ou oppositions sont examinées avec un très grand soin. Quand l'enquête est terminée, quand les droits des propriétaires sont indiscutablement établis, on annule les anciens titres et on remet au

propriétaire un titre ou certificat d'immatriculation sur lequel sont inscrites les charges qui gèvent la propriété. Ce titre constitue une preuve irréfutable des droits du propriétaire et des créanciers hypothécaires. Un double de ce titre est conservé dans les bureaux de l'État et classé dans un "Livre matrice." Si plus tard, le propriétaire veut vendre sa terre ou l'hypothéquer, il doit représenter son titre ; aucune charge non inscrite ne peut être opposée à l'acquéreur ou au prêteur. Tout droit réel non inscrit est inexistant. Toute vente, tout contrat modifiant les droits du propriétaire doit être, à défaut de nullité, déclaré au Bureau d'Immatriculation, donner lieu à la confection d'un nouveau titre, ou être inscrit sur le titre primitif.

Ce mode d'organisation de la propriété immobilière est, avons-nous dit, facultatif, mais les propriétaires en retireraient de tels avantages qu'ils ne peuvent hésiter à l'adopter, bien qu'ils aient à supporter tous les frais de la procédure d'immatriculation.

Il a eu en Tunisie un succès complet.

On peut d'ailleurs aisément apporter à ce système les modifications qui l'approprient aux habitudes du pays.

En ce qui concerne les opérations cadastrales, l'introduction d'un régime de publicité des titres de propriété faciliterait singulièrement la tâche des agents des Contributions directes. Ils pourraient se dispenser, dans la plupart des cas, de procéder, pour le compte de leur administration, à des enquêtes fort coûteuses.

Le Service des Contributions et le Service d'Immatriculation pourraient être, provisoirement, remis entre les mêmes mains.

Si le Gouvernement Impérial veut adopter ces vues et retirer de cette organisation tous les avantages qu'elle présente, il doit engager un fonctionnaire étranger comme directeur des Contributions directes. Ce directeur devrait être secondé par un inspecteur également étranger.

Nécessité d'Impôts nouveaux : Crédit du Service de l'Enregistrement.

Une des préoccupations constantes du Ministre des Finances doit être de rechercher les ressources permettant de faire face aux dépenses, de rétablir l'équilibre du budget. Des impôts nouveaux sont nécessaires.

Il ne sera pas bien difficile au Ministre des Finances de trouver de nouvelles sources de revenus. Des catégories entières d'impôts, en usage dans la plupart des pays étrangers, n'existent pas en Perse, ou sont d'un produit infime à cause du manque absolu d'organisation.

Le Ministre des Finances doit en ce moment s'attacher à établir des impôts qui ne soient pas trop onéreux, qui ne soulèvent pas de trop vives protestations et soient faciles à percevoir.

Parmi les droits à généraliser, il ne me semble pas qu'il y en ait de plus productifs et dont la perception soit plus aisée, que les droits d'enregistrement et de timbre.

L'enregistrement est une formalité dont les contribuables peuvent retirer de sérieux avantages, puisqu'elle donne date certaine aux actes et fournit une preuve de leur existence.

L'impôt perçu à l'occasion de l'enregistrement des actes, si même il est très étendu, ne sera donc pas mal accueilli par le pays.

Les droits de timbre et d'enregistrement sont encore mal réglementés et très inégalement assis.

Je m'empresse de dire qu'au Ministère de la Justice on a fait de sérieux efforts pour régulariser la perception des droits ; mais, d'autre part, la détermination des taxes à appliquer est très délicate. Il importe d'établir des tarifs avec des droits proportionnées à l'importance des actes, aux intérêts qu'ils garantissent. Il ne faut pas que des tarifs trop élevés soient un obstacle à la confection même des actes et à leur production en justice.

Un homme d'expérience doit guider les débuts de cette réforme. Son rôle sera d'étudier la nature des actes possibles de droits, de proposer des tarifs conformes à l'équité, d'organiser les bureaux de perception, et de centraliser leurs travaux.

Un directeur étranger et un autre fonctionnaire étranger ayant rang d'inspecteur ou de receveur, rendraient au pays de très grands services. On ne peut guère contester la nécessité de leur engagement.

Le Service des Contributions directes et le Service de l'Enregistrement sont étroitement liés. C'est dans les bureaux de l'enregistrement que les agents des contributions directes puisent les renseignements dont ils ont besoin en ce qui concerne les mutations, ventes, ou locations immobilières . . . , c'est au Service des Contributions

directes que les agents de l'Enregistrement demandent leur évaluation du revenu des propriétés immobilières pouvant servir de base aux droits de mutation.

Dans l'organisation d'un nouveau régime hypothécaire le concours des agents de l'Enregistrement serait indispensable. En France, où le système d'immatriculation et de publicité des actes translatifs de propriété ou de droits réels immobiliers est différent de celui qui a été exposé, ce sont des agents dépendant du Service de l'Enregistrement, les conservateurs des hypothèques, qui sont chargés de tenir les registres de transcription des actes de mutation, d'inscription des hypothèques, et d'effectuer les formalités destinées à sauvegarder les droits des tiers par une large publicité.

Si je propose dès maintenant, et en même temps, l'organisation de ces divers services sur des bases communes, c'est précisément à cause de la concomitance qu'ils ont entre eux.

En résumé, les principales raisons qui me poussent à demander au Gouvernement Impérial de faire largement appel à des chefs de service étrangers sont les suivantes :—

1. L'organisation dans un pays de services nouveaux demande des connaissances techniques et une grande expérience, qu'on ne peut, naturellement, rencontrer que chez ceux qui ont la pratique de ces services.

2. Il est, avant tout, nécessaire de fortifier l'Administration du Ministère des Finances.

Les lois votées par le Parlement doivent être appliquées dans toute la Perse comme émanant de la volonté de la nation.

Il faut que l'Administration des Finances étende ses rouages dans toutes les provinces, affirme son action et son droit de contrôle dans tout le pays.

Il faut mettre les administrations qui se créent à l'abri des discussions de partis. Le Ministère des Finances doit avoir une organisation stable qui survive aux changements de personnel, avec des agents qu'anime seul le désir de faire respecter les lois sous la direction de chefs obéis en raison de leur incontestable savoir, prêts à les guider, à les instruire, à les défendre même, contre les attaques d'autorités locales puissantes.

Seuls des chefs de service étrangers me semblent pouvoir assumer cette responsabilité et cette lourde tâche.

Je propose donc l'engagement des fonctionnaires étrangers suivants :—

1. Un trésorier général, assisté d'un inspecteur et d'un comptable.
2. Un directeur des Contributions directes et un inspecteur.
3. Un directeur de l'Enregistrement et un receveur ou inspecteur.

L'engagement de ces fonctionnaires occasionnera des dépenses nouvelles.

Comme il me paraît être de l'intérêt du pays de faire appel au concours d'hommes éclairés, ayant déjà exercé des fonctions équivalentes à l'étranger, on ne devra pas hésiter à donner à ces agents des traitements qui soient une garantie de leurs aptitudes.

J'estime qu'il faut prévoir pour les traitements de ces chefs de service les crédits suivants :—

| | Fr. |
|------------------------------|------------------|
| 1. Trésorerie .. | 105,000 par an. |
| 2. Contributions directes .. | 80,000 " |
| 3. Enregistrement .. | 80,000 " |
| Total .. | 265,000 " |

Au cours de 216 = 57,240 tomans.

D'autre part, avec cette organisation et la création proposée plus loin d'un Conseil d'État, on pourrait supprimer le poste de conseiller financier.

L'économie réalisée de la sorte, soit 12,000 tomans, réduirait la dépense de 57,240 tomans à 45,240 tomans.

Je ne doute pas que cette dépense soit largement compensée, dans l'avenir, par les profits que retirera le Gouvernement Impérial d'une administration puissant sa force dans des principes d'ordre et de progrès.

Institution d'un Conseil d'État.

Une des institutions les plus indispensables à l'œuvre de régénération que le Gouvernement Impérial a la volonté d'entreprendre, institution qui n'a pas d'équivalent en Perse, est celle d'un Conseil d'État. Cette institution aurait pour mission de

donner des consultations sur tous les projets de lois qui doivent être soumis par les Ministres à la représentation nationale, de préparer les projets de lois sur les matières pour lesquelles le Gouvernement réclame l'initiative de ce corps d'État, de préparer dans le même cas les règlements d'administration publique, de donner son avis sur les questions de droit et d'intérêt général, ainsi que sur toutes les autres questions qui seraient soumises à son examen par le Conseil des Ministres, de résoudre toutes les difficultés qui pourraient s'élever entre les Ministres eux-mêmes, de statuer en dernier ressort sur le contentieux administratif.

Ce corps d'État devrait être composé d'éléments étrangers et d'éléments indigènes afin que, tout en conservant son caractère national, il ne se prive pas du concours des chefs de service étrangers désignés pour y prendre place.

L'absence de lois et de règlements paralyse les efforts et la bonne volonté des administrations.

La création d'un Conseil d'État répond à un besoin impérieux. L'engagement de fonctionnaires étrangers permettrait de le constituer, sans plus attendre.

Le Conseiller financier du Gouvernement Impérial,
A. BIZOT.

[5100]

No. 216.

Sir G. Barclay to Sir Edward Grey.—(Received February 14.)

(No. 5.)
Sir,

I HAVE the honour to transmit herewith copy of a despatch which I have received from His Majesty's acting consul-general at Tabreez, reporting on the present conditions in Kurdistan.

I have, &c.
G. BARCLAY.

Enclosure in No. 216.

Acting Consul-General Smart to Sir G. Barclay.

(No. 1.)
Sir,

I VENTURE to submit the following observations on conditions prevailing in Persian Kurdistan as they appeared to me on my recent journey there. I would lay stress on the point that the following remarks should in no way be considered as a report on Kurdistan, which I am not qualified to make. They are merely desultory observations, which, in spite of their largely academic nature, may possibly be of some present interest to you:—

The administration of Kurdistan, such as it exists, is genuinely feudal. The Kurds are very lightly taxed, in fact scarcely at all, but the aghas, or chiefs, are expected to furnish armed contingencies for active service when called upon by the Government or local governors. These contingents are generally maintained in the field by the chiefs at their own expense. For instance, in November last Imam Kuli Mirza collected some 2,000 Kurdish infantry and cavalry and marched against Aziz Surkh, a rebellious Kurdish chief. This little campaign did not cost the Persian authorities a penny, for the whole army was armed, maintained, and fed by its chiefs. On my way to Soujboulak I happened to pass through the village of Kinder Gash, belonging to Ali Khan, one of the most influential Kurdish chiefs, at the moment when an armed contingent was being called out. The process very simple. A drum is beaten in some conspicuous place in the village, and, at the sound, the villagers, leaving their various occupations, repair with their rifles to the place of meeting. Ahmed Agha, son of Ali Khan, came out to meet me and rode with me through his village. I asked him what was the meaning of this gathering, and he replied that a requisition had come from Imam Kuli Mirza for a contingent of 500 men. He did not know the reason of the summons, but he would be in Soujboulak on the morrow with 500 armed men. The next day, while I was visiting the governor, the contingent, some 400 infantry and cavalry, turned up as promised. These men had been collected and brought into Soujboulak in less than twenty-four hours without any cost to the Government. Imam Kuli wanted to send them to Sulduz to counteract the Turkish

action there, but was forbidden by the Persian Government to do so for fear of serious complications with the Turks.

These examples will perhaps suffice to show the nature of this Kurdish feudal system as well as the great possibilities, defensive and offensive, of which such a system is capable, if properly worked. Of course the chiefs would not pay for contingents required to serve outside Kurdistan, but for expeditions in their own country they are extremely generous in this respect. Unfortunately, the Persian authorities have never been able to make the most of the valuable material they have in Kurdistan. By continual exactions and persecutions they drive the Kurds into revolt, while, on the other hand, they are incapable of displaying, when necessary, a wise severity towards these turbulent tribesmen. The result is that the Kurds dislike the Persian officials, whom they despise for their cowardice, while grudgingly respecting their authority through fear of the Government behind them.

The Persian Government would do well to devote some attention to the question of Kurdistan. The problem must be treated in a practical manner, and such absurd suggestions as the disarmament of the Kurds must be abandoned. Persian officials have lately been too fond of indulging in similar unpractical suggestions. A Kurdish chief, Suleiman Agha, told me that the Kurds would never give up their arms, and that any Government attempting to disarm them would provoke an universal and sanguinary resistance. On the other hand, some steps must be taken to restrain the Kurds from their brigandage. I am inclined to think that the development of the armed feudal system under capable and tactful Persian governors would be more advantageous to the Persian Government than a general disarmament. By a system of hostages, by freeing the Kurds from the exactions of officials, by giving the chiefs greater responsibilities, and thus interesting them in the preservation of order, by paternal intervention to protect them from their own extravagance and the usurers, who, by ruining them, finally drive them to brigandage, it should not be impossible to preserve the present system and, at the same time, tolerable security in Kurdistan. Even now I was much struck by the comparative security of those parts, considering the impotence of the local authorities and the all-powerfulness of the Kurds. With a good and strong Government disorders would be rare. Such a Government, for fifty years at any rate, while sternly checking the marauding instincts of the Kurds, would not discourage their warlike education. Rather, with the wise policy of the old Shahs of Persia, such a Government would use this race of warriors as its wardens of the marches.

The Kurds are generous, hospitable to an excess, fond of show and very extravagant. They will pay ridiculous sums for good rifles, and love collecting fire-arms and horses. Suleiman Agha showed me his collection of rifles, about a score in number, many of which had cost him as much as 400 tomans each. He had rifles of every Government which comes into contact with Persia, except the British, and the prices he had paid for them would have astonished their manufacturers. Through their improvidence the chiefs are most heavily in debt, and their ignorance of business makes them an easy prey to usurers, to whom they mortgage their villages, paying extortionate rates of interest on the money borrowed. However, they bear their financial troubles with a light heart, and go on maintaining the same extravagant establishment, always being able, when the crash comes, to fall back on brigandage to recoup themselves. Every Kurd is a robber by instinct, and the chiefs are no exception to the rule. Many of the Kurds drink heavily, but their healthy open-air life largely counteracts the bad effects of this vice.

The fighting qualities of the Kurds are generally very highly considered. They all ride and shoot from their childhood, are possessed of considerable powers of endurance, and are accustomed to hold human life very cheap. They are unhappy unless they have some sort of weapon on their persons, and even children always carry daggers in their girdles. I often saw labourers ploughing the fields with rifles slung over their backs. The Kurds do not appear to be capable, as was shown by the famous rebellion of Sheikh Obeidullah, of sustained offensive operations, for they are undisciplined and inclined to scatter with, or in search of, loot after their victories. But for defensive or guerilla warfare in their own country they are magnificent, and their recent record seems to show that the Kurds have lost none of the qualities which over 2,000 years ago made them so formidable to Xenophon's retreating 10,000. The Russians, since their discomfiture by the Kurds at Urmi, reported in my telegram No. 186 of the 31st August, 1909, have come to entertain a great respect for these warlike tribesmen. The Kurds are, fortunately for the Persian Government, hopelessly divided by family prejudices, by blood-feuds, by shortsighted jealousy of one another, and concerted action among themselves is almost an impossibility. Inter-tribal fighting on a small scale is

of so frequent occurrence that hardly any notice is taken of it by the Persian authorities. Kurdish tribes generally remain in their own districts, and even individual members refrain from straying into other districts for fear of being killed by some hereditary or blood-feud enemy. But for these tribal divisions the Persian Government could not keep Kurdistan, which even now is in the same state of semi-independence which it has enjoyed since the earliest times.

In considering the question of Persian Kurdistan, it is impossible to leave out of account the Kurds on the other side of the frontier and the activity of the Turkish frontier officials. The artificial division of Kurdistan by the Turco-Persian frontier must inevitably cause a certain amount of unrest, owing to difficulties of nationality, fugitive offenders, migrations, &c. All that can be hoped for is that a more conciliatory attitude on the part of the Turkish Government may attenuate these difficulties, which cannot be entirely removed. But the activity of the Turkish frontier officials is quite another matter. It is difficult to find any excuse for the conduct of these officials, who are continually stirring up the Persian tribesmen against their own Government, taking bribes from these tribesmen, and intervening to protect them from deserved punishment at the hands of the Persian authorities, sending small forces of Turkish soldiers hither and thither on Persian soil regardless of any international formalities. For instance, Turkish soldiers, on the pretext of the prevailing insecurity, regularly escort caravans to Soujboulak and levy blackmail on them. The recent incident at Sulduz, reported in Mr. Steven's telegram No. 215 of the 4th December last, is typical of the action of these frontier officials. The Persian Government sent 100 Persian soldiers to Muhammed Yar, the capital of Sulduz. The Karapapakan, settled in Sulduz on the shores of the lake, fearing punishment for past offences, sent presents in money and kind to the military commandant of Pasveh, begging him to drive out the Persian soldiers. The commandant advanced with 200 Turkish soldiers to Nagodeh, where there is a more or less permanent post of fifteen Turkish soldiers. Then by threats, by cutting of supplies, by collecting rebellious Persian tribesmen, he forced the Persian soldiers gradually to retire until they were finally pushed out of Sulduz into the Soujboulak district.

The Turkish consuls seem to have no influence with these frontier officials, who are very ignorant and equally corrupt. It is most desirable that the Turkish Government should replace these men by more enlightened officials of the new régime. Still more desirable is it that the Turkish Government should abandon their aggressive attitude and co-operate to secure a definite settlement of the frontier question. Reports from Urmie state that the Turks are increasing their forces on the frontier, and the Russian vice-consul there reports that stores are being collected by the Turkish consul at certain places in Persian territory, which would seem to foreshadow another Turkish advance. The Turkish consul told Mr. Brown of the English Mission at Urmie that the increase in the frontier force was only part of "the general military reforms and co-ordination of the military posts on the frontier." It does not, therefore look as if the Turks were abandoning their aggressive attitude, so fruitful in difficulties for the unfortunate Persian authorities. Of course until some definite settlement of this frontier question is reached, Kurdistan is bound to remain in a state of chronic unrest. I am inclined to think that a satisfactory settlement of the frontier question is unlikely to be secured unless it coincides with the complete withdrawal of Russian troops from Azerbaijan. The Turks fear, perhaps not unreasonably, that the Russian occupation is likely to become more permanent than was expected, and, until this fear has been removed, Turkish encroachments towards the lake are, I fear, inevitable, while the Turkish frontier force will probably be strengthened.

I believe it is often said that the Kurds, being nearly all Sunnis, with the exception of the Makcu Kurds, who are Shias, would prefer to be under Turkish rather than Persian rule. The little intercourse I had with the Kurds rather led me to the contrary opinion. The Kurds do not appear to be so fanatical as they are often made out by officious partisans of the Nestorians. Moreover, I think that the racial feeling is stronger with them than the religious, and the Kurds are a purely Persian race, purer probably than even the Lurs or the settled population of Fars. Their language is a purely Persian dialect, and all their traditions seem to be Persian. Their storytellers always go to Persian history and romance for their tales, which are recounted in a mixture of Kurdish and Persian, and the Persian national epic is just as popular in Kurdistan as in other parts of Persia. Besides, the Kurds like an easygoing Government, and prefer the happy-go-lucky methods of Persian officials to the more rigid form of Turkish administration. Lately, also, the Kurds have lost hope in the Turks, who, especially when Ferik Fazil Pasha sacked Soujboulak two years ago, held out to the

Kurds extravagant hopes, which they were unable to satisfy. Consequently, just now the Kurds are in a favourable disposition towards the Persian authorities. The establishment of a tolerable Government in Persia with the settlement of the frontier question would probably bring back most of the rebellious Persian Kurds to their allegiance.

One distressing characteristic of the Kurds is that they do not seem to share the healthy respect for the inviolability of Europeans, which is fortunately fairly general in Persia. They have no animosity against Europeans; on the contrary, they nearly always welcome them with the greatest hospitality. But, if it happens to suit their purposes, they are quite ready to kill an European. As an example of this characteristic, I would cite the case of the family of Ali Khan, chief of Kinder Gash. This chief invited me to spend a night at his home on my way back to Tabreez, and he entertained me with the greatest hospitality, while his son Ahmed Agha, a fine specimen of the young Kurd, waited on me in his own house as if he had been my servant. I understand that this family, which has often entertained Shahs of Persia at Kinder Gash, always delights in treating Europeans with similar courtesy. Now for the other side of the picture. Three years ago Serdar Mikri, a powerful Kurdish chief, was Governor of Soujboulak. Many of the Kurdish aghas resented being governed by one of their fellows, a young man, whom they considered as their equal. In order to get him into trouble and bring about his dismissal, the family of Ali Khan wantonly arranged the murder of an European in Soujboulak. One night Ahmed Agha, with a band of servants, entered the house of a German missionary in Soujboulak, and in cold blood murdered a young German theological student, who was staying with the missionary and his wife. The murderers spared the missionary and his wife, who were entirely at their mercy, and did not take away a single article from the house. Their plot had the desired result, for the Persian Government dismissed Serdar Mikri on account of this affair. Ali Khan and his brother Samsam, being accused of the crime, fled to Urmie and took bast with Imam Kuli, then governor there. The Prince, for a consideration of several thousand tomans, interceded for them with the central Government and succeeded in whitewashing them. Two or three menials, who may, or may not, have been guilty of participation in the crime, were executed, while the real offenders got off scot free. This account of the incident is, of course, denied officially, but locally it is generally believed to be absolutely true. The example of Ali Khan's family illustrates very aptly the two sides of Kurdish character as well as their indifference to the taking of human life, even if it be the life of an European.

The Kurds, except those of Maku, do not appear to be susceptible to foreign political influences other than that of Turkey. Those round their capital, Soujboulak, appear to have little acquaintance with the English. Their attitude towards the English seems to be that of much of Azerbaijan, namely, they regard them as a rather aristocratic race, which does not indulge in shady commercial transactions, and keeps aloof from political intrigue. The Kurds also distinguish the English from other Europeans as being more active, better riders, better shots, than the other peoples of the West, and these qualities of course count much with a race of born riders and marksmen. I found this reputation of my countrymen most embarrassing, as, being an Englishman, I was always credited with special knowledge of firearms, skill in their use, &c. Fortunately, my attainments were never put to any practical test, and, by boldly feigning in conversation an unlimited knowledge of every sort of firearm, I was able to get away without damaging my countrymen's reputation for manliness.

The Russians are not very popular with the Kurds for two reasons. Firstly, the protection which the Russians afford to Christians in Kurdistan naturally brings them often into conflict with the Kurds, and tends to embitter their mutual relations. Secondly, Russian subjects, profiting by the prodigality of the Kurds, often play the unpleasant rôle of the oppressive money-lender. Russian officials, with their usual lack of judgment, support indiscriminately their subjects in these cases, without taking into account the injustice which these money-lenders often inflict on the Kurds and the doubtful methods by which they acquire their hold over these unsophisticated tribesmen. The result is that the Russians have not among the Kurds the brilliant reputation for honesty which the English enjoy. The chiefs, who owe large sums to Russian subjects, are inclined to judge the Russians generally by the standard of Caucasian money-lenders, and the officials who support them. Of course the attitude of the Maku Kurds may be different, for their Khan, Ikbal-es-Saltaneh, is more or less under Russian protection.

In conclusion, I may say that the present state of Kurdistan is one of administrative chaos, and the tolerable order there reigning is due solely to the forbearance of the

Kurds and their internal divisions, which make them chary of revolt against a Government always capable of playing off one tribe against another. The Persian officials show no capacity for governing these tribesmen, and their power is very limited. Imam Kuli is not even master in Soujboulak, where the chief Kurdish Mollah, Kazi Fettah, is all-powerful. This does not prevent him from exacting money from the loyal Kurdish chiefs, and straining their loyalty to the breaking point. I see no reason to expect any improvement in this state of things for years to come. The picture I drew above of a feudal Kurdistan, loyal to Persian governors, who treated justly but firmly these not unchivalrous tribesmen, is merely an ideal state of things, which is unlikely ever to take actual form without some radical change in the character of Persian officials.

I have, &c.

W. A. SMART.

[5101]

No. 217.

Sir G. Barclay to Sir Edward Grey.—(Received February 14.)

(No. 6.)
Sir,

DURING the last four weeks there has been nothing in Tehran calling for special record. Our answer to the Government's application for an advance is still anxiously awaited, and, as far as one can judge, the continuance in office of the present Ministry depends on the nature of our reply. It is largely due to the prestige of the two victorious revolutionary leaders, Sipahdar and Sardar Assad, now respectively Prime Minister and Minister of the Interior, that the Government is able to carry on with its insufficient funds, and it is questionable how far a Cabinet of which they do not form a part could maintain such authority as the Central Government now possesses. During the visit of the Minister for Foreign Affairs on the 24th instant, recorded in my telegram No. 29, his Highness spoke of anarchy as certain to follow the resignation of the present Cabinet on the question of the advance. He said that without the support of Sipahdar and Sardar Assad, and without money to pay the Hujaheddin (the Nationalist force which accompanied Sipahdar from Resht), no one could answer for the behaviour of these latter. Disorders would occur and the Russian troops would come on from Kazvin. The Minister for Foreign Affairs spoke so earnestly and with such conviction that, at the risk of incurring the reproach of iteration, I ventured once again to urge by telegraph the importance of a prompt and favourable reply to the Persian Government's application for an advance.

In the north interest during the period under review has centered in the operations of the Government forces under Yprim and Sardar Bahadur, Sardar Assad's son, against Rahim Khan. These have been generally successful, and Rahim Khan is apparently in a bad plight, for he has applied for protection to both the Russian and Turkish consuls-general at Tabreez. Both are said to have refused it, but the Persian Government are very anxious lest the defeated brigand should find his way to one of the foreign consulates and be admitted to bast. They are pressing my Russian colleague for an assurance that asylum will not be given him. This assurance, he tells me, his instructions preclude, though he has given the Persian Government a general assurance that Russia will not abandon her attitude of neutrality in the matter unless a third Power takes Rahim Khan under its protection, in which case she would be compelled to consider what measures she must take. It is to be hoped that the Government forces will succeed in capturing Rahim Khan without delay, for should he escape across the Russian frontier it would be difficult for Russia to give him up; and should he make his way to Tabreez or to Sarab, where there is a Russian consular agency, it is to be feared that Russian consular officers will throw open their gates to him for fear some Turkish consular officer should grant asylum to the fugitive. The Turkish agents are, indeed, already interfering; the Turkish consul-general is reported to be intriguing with the khans of Karadagh, and the Governor-General has actually in one case accepted his mediation for negotiations with one of them. Rahim Khan declares that he has been offered Turkish protection, and the Turkish Ambassador has recently made representations on his behalf to the Persian Government. The Ambassador excuses himself on the ground of humanity, and declares that the reports of the consul-general's intrigues are quite unfounded. He has promised, however, to direct Enver Bey to abstain from any intrigues of the kind alleged.

The situation in Fars, regarding which I am sending an interesting despatch from

His Majesty's acting consul at Shiraz, appears to be at the mercy of Soulet-ed-Dowleh. At present all traffic between Shiraz and Bushire is at a standstill. The Government having failed in an endeavour to induce the chief of the Kashgais to police the main route, that road is completely blocked, and though Soulet-ed-Dowleh has made an arrangement with the merchants by which he guarantees the safety of the road via Jereh, the refusal of the Governor-General to endorse his guarantee has until now prevented trade from using this route, traders fearing that the Central Government will repudiate liability for losses. The situation may improve for a time owing to the appointment of Farman Farma in the place of Saham-ed-Dowleh which has just been announced. Saham-ed-Dowleh's recall is attributed to complaints from Shiraz of the severity of his administration. Whether this was the real cause or not, the antagonism which has developed between the latter and Soulet-ed-Dowleh has made him an undesirable governor at a moment when the Central Government were unable to support him. There seems some reason to hope that Soulet-ed-Dowleh will co-operate with Farman Farma for the maintenance of order, instead of doing his best to upset his authority, which was the policy he pursued towards the late Governor-General. Farman Farma has at least wealth and the prestige of birth, and of his past record as a strong provincial governor to back him.

Except for Azerbaijan and Fars, there have been no occurrences in the provinces during the last four weeks calling for special mention.

I have, &c.
G. BARCLAY.

[5102]

No. 218.

Sir G. Barclay to Sir Edward Grey.—(Received February 14.)

(No. 7.)
Sir,

I HAVE the honour to report, with reference to your telegram No. 511 of the 30th December last, that Mr. Maurice Blake left Tehran on the 7th instant, without having accomplished the object of his visit. He told me before he left that he did not much regret his want of success, as he thought the obscurity of the political outlook greatly increased the speculative character of the transaction.

In urging the Persian Government not to part with their interest in the Anglo-Persian Oil Company, I thought it well to state to Ala-es-Saltaneh that I expected to be apprised in the case of any future offers the Persian Government might receive, in order that I might inform the company, who possessed morally a preferential right of acquisition. I added, however, that I knew the company was very anxious that the Persian Government should retain their interest in the undertaking.

I have, &c.
G. BARCLAY.

[5103]

No. 219.

Sir G. Barclay to Sir Edward Grey.—(Received February 14.)

(No. 8.)
Sir,

WITH reference to my despatch No. 212 of the 29th November last, I have the honour to transmit to you herewith copy of a further despatch from His Majesty's acting consul-general at Tabreez regarding the misrepresentations of Rahim Khan as to the part played by Russia in the internal affairs of Azerbaijan.

The harm which such misrepresentations have done make it abundantly clear how careful the Russian military authorities should be to avoid any action open to misconstruction.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 219.

Acting Consul-General Smart to Sir G. Barclay.

(No. 3.)
Sir,

I HAVE the honour to transmit herewith translations of correspondence between the Governor-General and myself regarding certain misrepresentations made by Rahim Khan in a letter to Samad Khan.

On receipt of Rahim Khan's letter, transmitted telegraphically by Samad Khan, Mukhber-es-Sultaneh asked me for my advice. He said that Rahim Khan was evidently using the presence of the Russian troops at Ardebil to deceive the tribesmen into believing that Russia was really supporting the ex-Shah. This fact was quite clear from Rahim Khan's reference to the occupation of Ardebil and Serab by the Russians, apart from his direct assertions that such was the policy of Russia. These misrepresentations undoubtedly had a great effect on the ignorant Shahsevans, who, in view of the favour shown to Rahim Khan by the Russians, could hardly fail to consider this brigand as the champion of the Russophil Shah. The Persian Government could suppress the rising in Eastern Azerbaijan if it were merely a freebooting enterprise, but if the Karadaghis and Shahsevans really united in a political object, for the accomplishment of which they expected the help of Russia, the revolt would become too formidable to suppress. For the last fifty years Eastern Azerbaijan had only been governed by keeping the Shahsevans and the Karadaghis divided, and their united forces would be almost invincible.

I advised his Excellency to communicate Rahim Khan's letter to the two consulates, and to leave us to deal with the matter. On receipt of his communication, copy of which I have the honour to enclose, I called on my Russian colleague to discuss the matter with him. I argued with M. Miller much in the sense of Mukhber-es-Sultaneh's observations, and urged the necessity of doing something to correct the unfortunate and erroneous impression prevailing in Azerbaijan that Russia was behind the rebels. I suggested the issue at Ardebil of some sort of proclamation, similar to the notice served on the Anjuman at Tabreez last April, explaining clearly the objects of the Russian expedition. M. Miller replied that the communications made by M. Giers at Ardebil to Rahim Khan after the arrival of the Russian troops, rendering him responsible for the damage done to Russian life and property, must have shown clearly Russia's attitude towards the rebels. In view of my Russian colleague's evident reluctance to adopt my suggestion, I did not think it advisable to press the matter further. However, M. Miller wrote an official letter to the Governor-General categorically denying the truth of Rahim Khan's statements. He added that Mukhber-es-Sultaneh was at liberty to show this letter to the Government generals in the field or to anyone else he liked. I followed up my colleague's letter with a somewhat similar communication, though conceived in rather more general terms, as coming from a consulate less directly interested than the Russian. I have the honour to enclose copy of my reply, the draft of which I sent to my Russian colleague, and obtained his written approval of its contents before dispatching my letter to the Governor-General.

Mukhber-es-Sultaneh was much pleased with our answers, and he said he would give them the necessary publicity in order to counteract Rahim Khan's misrepresentations.

I have, &c.
W. A. SMART.

Enclosure 2 in No. 219.

Mukhber-es-Sultaneh to Acting Consul-General Smart.

(Translation.)

HIS Excellency Shuja'-ed-Dowleh has received a letter from Rahim Khan. Since he (Rahim Khan) has lied somewhat about the foreign Powers, I enclose herewith a copy of his letter for your information. These sorts of rumours undoubtedly have an influence on the minds of the Shahsevans, who believe that Rahim Khan is really working for Muhammed Ali Mirza, and that the foreign Powers mentioned above are

engaged in bringing back His Highness. I have reported the matter to Tehran, and thought it necessary to inform you, in order that you may know what misrepresentations Rahim Khan is making.

December 28, 1909.

Enclosure 3 in No. 219.

Shuja'-ed-Dowleh to Mukhber-es-Sultaneh.

(Translation.)
(Telegraphic.)

Serab, December 23, 1909.

I HAVE just now (sunset on the 22nd December, 1909), received a letter from Rahim Khan, which is textually as follows:—

"I have the honour to acknowledge the receipt of your letter. I am delighted to hear that you are in good health, and am grateful to you for your kindness. With regard to what you write about fixing a place for a visit, you know how pleased I was at your arrival in these parts, and how much I wished to meet you. But for some days I have been slightly indisposed. I have brought a doctor from Russia, and he is engaged in curing me. Thank God, I am now somewhat better, but, on account of the cold, the doctor has forbidden me to go. God is witness that I also wished to meet you. If you have any important business to render a visit necessary, send back the army which you have with you, and with thirty or forty horsemen come to Ahar. I will also come there, and we can meet. But, if you cannot come, return to Maragh."

"So you have gone over to the Nationalists. Well, let us see. If they treat you kindly, then I will do like you. (Rahim Khan means that the Nationalists will in the end play Shuja'-ed-Dowleh a bad turn.) Now that the Russians have seized Ardebil and Serab, what does it matter what we do? No good can come of whatever we do. If, as I said before, you come to Ahar, I must assemble all the chiefs of Karadagh and the Shahsevans. You must know that I am allied to the chiefs of the six provinces (Karadagh, Ardebil, Mishkin, Khalkhal, Talish, Ujarood). All the chiefs must be present at the meeting with you. But, if this visit is not necessary, depart. I hope, if you are well, that we may meet in the spring."

"I have one more observation to make confidentially. I and all my family dwell on the frontier, and are informed of the newspaper reports. To-day it is clearly stated in the Russian newspapers that all the foreign Powers have promised help to His Imperial Majesty Muhammed Ali Shah, and that His Imperial Majesty the Emperor of Russia has sent 12,000 Cossacks to accompany him to Persia. You should not obey the instructions which you have received to attack me. Who advised you to this course? The Anjuman has only two capable men for its missions—you and me. One day it sends you against me, another day it will send me against you. If the Anjuman has no one else, and is in need of us two, what is the good of such an Anjuman? The end of this constitutional business is uncertain. Why do you spoil the record of your services? Was there no one else to send against me? With what reasoning and intelligence do you lead out troops against me and ruin our fifty years' friendship? My son might not have been at Alamberghoosh (scene of first defeat of Karadaghis). I might have placed someone else in command of my horsemen, who, unlike my son, would not have let you off. Then how ashamed I should have been before you! Or suppose I had come myself. Then I would have brought the whole force of Karadagh and the Shahsevans. Then what would have become of our fifty years' friendship? Do you not understand that their reason in sending you against me is to break up our friendship? Is this also fitting that we should come and submit to Sattar and Bagher? By the grace of the Twelfth Imam, allied as I am with the chiefs of the six provinces, the army of Salm and Toor could not resist me. This mission can have no advantage for you. Return, and wait till the spring. If by then the Anjuman has treated you kindly and restored order in the country, then I will be at one with you."

Enclosure 4 in No. 219.

Acting Consul-General Smart to Mukhber-es-Sultaneh.

I HAVE the honour to acknowledge the receipt of your Excellency's letter of the 28th instant, and to thank your Excellency for the telegram from his Excellency Shuja'-ed-Dowleh which you were good enough to transmit to me.

As my Russian colleague has already informed your Excellency that Rahim Khan's statement regarding Muhammed Ali Mirza's returning to Persia with the aid of Russian troops is an obvious falsehood, it would be superfluous for me to offer any observations on the subject. M. Miller tells me that no such statement has ever appeared in the Russian newspapers.

With regard to Rahim Khan's statement that the foreign Powers have promised help to Muhammed Ali Mirza, I need hardly say that this is quite untrue.

Your Excellency is at liberty to use this letter to correct any misapprehensions which may exist in the minds of ignorant persons.

Tabreez, December 31, 1909.

[5105]

No. 220.

Sir G. Barclay to Sir Edward Grey.—(Received February 14.)
(No. 10.)

Sir,
I HAVE the honour to transmit herewith the usual monthly summary of events in Persia for the past four weeks.

I have, &c.
G. BARCLAY.

Enclosure in No. 220.

Monthly Summary of Events in Persia for four weeks ending 28th January.

Tehran.

PUBLIC order has been maintained in Tehran during the past four weeks, and the usual religious rites were observed on the 10th Moharrem (22nd January) without untoward incident.

2. An affray occurred on the 17th instant between some Persian Cossacks and the police. The commandant of the Cossack brigade adopted a somewhat high-handed attitude in the matter, which caused much adverse comment, both in the Assembly and the press, but the question was eventually settled.

3. On the 20th instant a fedai who had come from Meshed was murdered by an individual who subsequently took refuge at the Russian Legation, representing himself to be a Russian subject. This question is still the subject of negotiation between the Russian Legation and the Persian Government.

4. Muvakar-es-Sultaneh, who took refuge at the Russian Legation with the ex-Shah last July, and left the country with Mohammed Ali, returned to Tehran towards the end of January and was immediately arrested. He was tried on a political charge, and though a full report of the proceedings has not been published, it is understood that he was found guilty of complicity in a plot to foment disturbances for the purpose of embarrassing the Government. The death sentence was passed, and he was executed publicly on the 27th instant. Eye-witnesses declare that the execution was carried out in a most barbarous manner.

5. *The National Assembly.*—During the past four weeks the Assembly has been chiefly occupied in drawing up internal regulations and forming committees, of which eleven as follows have been elected:—

(1) Foreign Affairs; (2) Interior; (3) War; (4) Justice; (5) Education; (6) Laws; (7) Budget; (8) Posts, Telegraphs, &c.; (9) Petitions; (10) Accounts; (11) Finance.

The Assembly meets regularly on Saturdays, Tuesdays, and Thursdays for ordinary

business, while Sunday is set aside for extraordinary sittings. The committees are at work every day, except Friday, from 8 A.M. till 12, and from 1 to 5 P.M.

Most of the Ministries have appointed Under-Secretaries, who represent them in the House and answer questions. Yamin-i-Nizam, the well known Persian representative on the MacMahon Seistan Commission, is Under-Secretary for War, while Sakat-ul-Mulk is Under-Secretary for Foreign Affairs. The 18th January was the first occasion on which the sitting was chiefly devoted to the interpellation of Ministers, some of whom attended in person, on matters of public interest. The new Under-Secretary for the Interior, Kavam-es-Sultaneh, brother of the new Minister of Finance, Vosouk-ed-Dowleh, replied to embarrassing questions with tact and ability. A great many questions were put to the representative of the War Office respecting the Cossack brigade, the officers of which subsequently attended in a body at the House to offer their allegiance to the Constitution. On the 25th January the Under-Secretary for the Interior was severely cross questioned respecting the behaviour of the Governor of Fars, whose resignation he announced. It is understood the Prince Farman Farma will succeed him.

The high priests of Nejef having evinced solicitude regarding the observance of Islamic law as to the sale of spirits and the prohibition of lotteries, their letters on the subject were read and a suitable reply drawn up.

6. *Sardar Assad.*—At the beginning of January Sardar Assad announced his intention to proceed to Vienna for medical treatment. He appears, however, for the present to have abandoned the project.

7. *The Press.*—The hostility of the press towards Russia and England has in no way abated. Daily articles continue to appear urging the people to awaken to the dangers confronting them.

G. P. CHURCHILL.

Tabreez.

At the end of December the Government troops under Yefrain and Sardar Bahadur defeated the Karadaghis under Rahim Khan's son and captured Ahar, Rahim Khan's head-quarters. A few days later the Karadaghis, having been reinforced, returned and attacked Ahar. The Government troops went out into the open and repulsed them, killing 30, and losing 1 killed and 4 wounded. The Karadaghis fled northwards.

About the 10th January the Karadaghis, under Rahim Khan's son, once more attacked Ahar, this time in large numbers and from several directions. They were repulsed with heavy loss and fled, being pursued for 8 miles by the Government troops, who lost 10 killed. Sardar Bahadur was slightly wounded in one foot and had his horse shot under him. This defeat appears to have finally broken the power of Rahim Khan, as he has applied to both the Russian and Turkish consulates at Tabreez for protection. On the 11th January, His Majesty's acting consul-general reported that three detachments of Russian Cossacks, in all 200 men, had, on the receipt of urgent orders from the Viceroy of the Caucasus, been sent from Ardebil and Tabreez to Ahar to report on the strength of the Government troops and rebels, &c. Mr. Smart informed his Russian colleague that he considered the dispatch of these troops criminal, as it was likely to undo all the work done by the Government troops and would encourage to further resistance tribal chiefs who were discouraged by the Government victories. The dispatch of troops would be regarded generally as moral support of the rebels by Russia, if not more. Mr. Miller expressed his entire agreement with Mr. Smart, and said that the Russian vice-consul at Ardebil and he had strongly opposed the sending of troops for these very reasons, but the military authorities had disregarded the objections of the Foreign Office agents, stating that they must obey their orders. Mr. Smart told Mr. Miller that he thought it was intolerable that the military authorities should be able to act in a manner contrary to the wishes of the Foreign Office agents and in direct contradiction to the policy of non-intervention of the two Powers. Mr. Miller agreed, and said he had telegraphed to his Minister at Tehran to that effect. The Russian Minister at Tehran informed Sir G. Barclay that he had not been consulted as to the dispatch of troops, and would probably have stopped it if he had. The Persian Government protested formally to the Russian Government against their dispatch. The detachments however reached Ahar, where they were hospitably received by the Government troops. They returned on the 22nd January to Tabreez and Ardebil, and Mr. Miller informed Mr. Smart that the Viceroy of the

Caucasus had been instructed by the Russian Government that in future even small parties of troops were not to be moved about in Azerbaijan without the concurrence of the Foreign Office agents.

Meshed.

1. Quiet has prevailed at Meshed. Both consuls-general are agreed that it is best to prevent the officials being changed, at any rate before the Persian new year. It is probable that Rukn-ed-Dowleh will retain the governorship. Prince Dabija is said to have asked his legation to procure the removal of the chief of police. His offence appears to be that he is not afraid to deal with disorderly Russian subjects, who have in the past been allowed to misbehave with impunity.

2. The question of octroi remains unsettled. Prince Dabija continues to oppose its levy. Major Sykes has received no reply to his question whether the proposed octroi is the same as that levied at Tehran.

Turbat-i-Haidari.

1. The following movements of Russian Cossacks are reported:—

On the 5th December four left for Russia via Karez; On the 17th December two arrived from Meshed for Birjand.

2. On the 9th December Captain Skourratt left for Khaf; the object of his journey was not known.

3. A large caravan of merchandise arrived on the 8th December from Yezd; the road was then considered fairly safe.

Seistan.

1. The situation has remained normal except for signs of restlessness amongst the Baluchis sardars. Early in January they began to collect armed men, and avowed their intention of going to Neh. The ostensible cause of this was their discontent with the collection of revenue, but as Hashmat-ul-Mulk was at the same time reported to have left Darmian for Seistan with 100 men, their real object was probably to join him. His Majesty's consul sent a message to the chief sardar, Purdahdad Khan, warning him against creating disturbances and of his responsibility if British subjects or interests suffered, and advising him to refer his grievances to Tehran and to pay such revenue as was justly due. In the middle of January the Persian authorities in Seistan still expressed much anxiety as to the attitude of the sardars, and seemed to fear a general rising. Major O'Connor was assured by the two principal sardars, whom he interviewed, that they did not intend to create disturbances, but only to secure equitable assessment and collection of revenue and other such legitimate rights. Major O'Connor repeated his warning to them, and urged them to use the proper channels for submitting their grievances to the Government. Major O'Connor thinks that no serious disturbance is at present probable and that British influence will suffice to keep the sardars in hand, but he is uncertain what Hashmat-ul-Mulk's attitude will be.

2. During November, 1909, 2,937 cases were treated in the hospital in Seistan, and 1,417 in that of Birjand.

Ispahan.

1. On the 5th January Serdari-Ashjaa, Bakhtiari, notified officially to the Russian and British consuls-general that he had been appointed to officiate as Governor-General. Mr. Grahame visited him on the 7th January. Speaking of the Bakhtiari road, the khan declared that he and the other khans intended to do all they could to keep the road open during the winter, and further, to set about building proper caravanserais on it in the spring. He said that they had not at first grasped what importance the road was destined to assume. They had only been making a trial. Now they were convinced, and would work on a larger scale. Mr. Grahame pointed out that it would be to their own interest to build solid buildings, which would involve less expense for repair. The khan spoke in very cordial terms of Lieutenant Ranking and Mr. Reynolds, and appeared much pleased with what he had learned of the oil prospects.

2. The situation in Ispahan has continued quiet, although on January 2nd there was a demonstration by a large mob against the local assembly, partly in connection with regulations limiting the sale of opium, and partly against the levy of certain arrears of taxes. This resulted in the relaxation of the opium regulations and the abandonment of the attempt to collect arrears of taxes.

3. The Kuhgeluis withdrew from Orchini as the cold increased, and all the roads in the district have been safer recently than for some time previously. Caravans have been using all the roads, and no robberies have been reported since the 21st December.

Yezd.

1. M. Adamoff, Russian consul at Kerman, arrived from Kerman on the 22nd December.

2. The town and district has remained quiet, but trade is still dull, merchants fearing to resume operations until certain that the new régime will last. Few caravans are therefore moving, but the roads appear to be fairly safe. On the 9th January, Sadr-ul-Ulema, a prominent intriguing priest, whom former governors have found it necessary to propitiate, was seized and thrown into chains. Next day, he was bastinadoed until speechless, apparently for attempting to influence the authorities in Tehran to make the governor cease from exacting money from him. The governor personally thrashed the executioner for not laying on properly. Sadr-ul-Ulema alleges that he has already paid over 2,000*l*.

3. The local assembly, owing to the opposition of the priests, refuses to admit a Parsi member as laid down in the constitution. The Parsis are meanwhile wasting their energy in quarrelling among themselves.

Sultanabad.

1. From a report dated the 22nd December, 1909, from Mr. Strauss, it appears that the governor of Burujird, Amir Seif-ed-din Mirza, is absolutely powerless. Having no money wherewith to pay his troops, large numbers of them have deserted. The priests are in opposition to him, and any proclamation he issues is at once torn down. The deputies sent by him to govern sub-divisions of his governorship have all been compelled to return to Burujird. Mr. Strauss anticipates that, failing the dispatch of a governor with troops and money, the Lur tribes will ravage the countryside in the spring.

Kermanshah.

1. Mr. Manson, cashier of the Imperial Bank of Persia, left for Hamadan on the 18th December, 1909, on transfer.

2. About the 20th, fifty Persian Cossacks arrived at Kangowar, the governor of which place was ordered to employ them and 100 local horsemen to hold the Kakawand on that side.

3. The Akhund Khorassani of Kerbela is, it appears, a strong supporter of pan-Islamism, and has been corresponding with the Sheikh-ul-Islam of Afghanistan through some Kandahari merchants at Kermanshah, with a view to reconciling Sunnis and Shiites.

4. Mullah Qurban Ali of Zinjan arrived under escort on the 28th December and left the same day for Kerbela.

5. Pending the arrival of the new governor, Nizam-es-Sultaneh, from Tehran, the town became quiet and robberies ceased. The governor arrived on the 5th January, the ex-governor having left on the 2nd January for Tehran. Caravans were leaving by all roads.

Kerman.

1. The town and district have remained quiet. There has been an exchange of views between the Central Government and the governor as to the best way to deal with the Baluchis. The governor appears to have asked for funds to enable him to move a force against them. To this the Government replied that if he were not prepared to reduce the Baluchis and collect revenue from them, they could find another man who would do it. Kawam-ul-Mulk replied that he would like his resignation to be accepted before the Persian new year, and that the Government did not seem to realise that Baluchistan was now practically independent and divided into three parts under Sardars Said Khan, Bahram Khan, and Jihand. If, however, his request for money was granted, he would do his best to go to Bam and Regan and bring the Baluchis to terms.

Shiraz.

1. The blocking of the Bushire road for caravan traffic owing to the disagreement between Soulet-ed-Dowleh and the Governor-General, has been the question of the month. The former made extravagant demands as to governorships, in return for which he would guarantee the usual route via Kazerun. His demands being refused, he proposed that a route via Jirreh should be used, he guaranteeing its safety, but owing to the refusal of the Governor-General to accept this guarantee, merchants have refrained from using this route. Meanwhile Saham-ed-Dowleh has been dismissed, and Farman Farma has been appointed Governor-General of Fars. The latter is still at Tehran.

PERSIAN GULF.

Bushire.

1. It is reported on confidential, but fairly reliable, authority that Mohammad Rashid, broker of Messrs. Wonckhaus & Co., Lingah, who returned to Lingah from Muscat on the 24th November by the Hamburg-Amerika liner "Sicilia," landed some arms and ammunition, including eight Mauser pistols, at night. As the agents of this line are allowed to land their cargo at their own wharf instead of that of the Customs, the employés are at an advantage in smuggling contraband. Mohammad Rashid has again gone to Muscat to get some arms and ammunition which he is expecting by a Hamburg-Amerika steamer.

2. Mirza Hussein, clerk to the German consulate, was early in December elected a member of the local assembly. He resigned his post in the consulate, and was succeeded in it by his brother. He has given out that he intends to start business, and has promised a monthly contribution of over 2*l.* towards the expenses of the assembly. As he gets no remuneration as a member of the assembly, his action is somewhat peculiar.

3. A French Jew merchant named Menasché arrived at Bushire in December with a view, according to his own statement, to purchasing gum tragacanth and other gums. To this end he proposes to go to Shiraz later on. It seems, however, that since he arrived he has been booking extensive orders for arms.

Bunder Abbas.

1. The consular escort is being increased to one native officer and thirty men, owing to the possibility of an attack on the consulate by Afghans engaged in the arms traffic, of whom early in January there were over 300 in the town.

Mohammerah.

1. His Majesty's consul is informed that the Bakhtiari Khans have written to Farhan Assad, of the Chab Dubais, saying that they wish to make the territories under him distinct from those under Sheikh Khazal, and propose to send down a robe of honour and arrange for him to send his taxes in direct, and not through the Sheikh. Farhan has forwarded the letter to Sheikh Khazal. Sheikh Jafar of Fallahiyah Chab is reported not long ago to have received similar letters from the Bakhtiari Khans. If these reports are true, and the attitude of Sheikh Khazal recently towards the khans tends to confirm them, the latter are using their newly gained official power to subvert the sheik's authority in Arabistan.

2. His Majesty's consul, in forwarding his trade report for Arabistan for the quarter ending September, 1909, draws attention to the openings existing for British firms at Mohammerah. M. Brasseur intends to commence regular business in leather, eatables and miscellaneous goods of French and English make. His advent is to be welcomed, as he will devote himself to a branch of trade wholly in German hands. Of British firms, Messrs. Lynch Bros. seem wholly occupied with shipping, and are doing nothing to exploit the local markets and imports. Messrs. L'loyd, Scott & Co. are at present wholly occupied with the business of the Anglo-Persian Oil Company, but are looking out for possible openings, and may perhaps take an active interest in trade later on. Messrs. Gray, Mackenzie & Co., of Bussorah, have received instructions from home to investigate the possibilities of Mohammerah, with a view to opening up a branch there. His Majesty's consul is giving them every assistance in gauging the capabilities of the place, and it is much to be desired that they should set up there to compete

against the Germans. They have always been on good terms with the sheikh, and this should be of assistance to them. A branch of the Imperial Bank of Persia was to be opened at Mohammerah on the 1st January.

C. B. STOKES, Major,
Military Attaché.

[5081]

No. 221.

Sir A. Nicolson to Sir Edward Grey.—(Received February 14)

(No. 69.)
Sir,

St. Petersburg, February 4, 1910.

I ALLUDED last night, in conversation with M. Stolypine, to the urgent need of the Persian Government of a small advance. He seemed to be well acquainted with the details. I remarked that all that was required was five million francs from each Government. He said that it was a mere bagatelle. I replied that such was the case, but the funds would be of the greatest assistance to the Persian Government and were most urgently required. I regretted that the Minister of Finance was opposed to making the advance. His Excellency said that M. Kokovtsoff was not, in reality, opposed to it. I remarked that in any case he tied his purse-strings very tightly. M. Stolypine observed that the rôles of the two Governments had changed. Formerly we had opposed an advance to the Government of the former Shah when the Russian Government had desired to make one, and now the case was reversed. I said that the situation was quite other, but I earnestly hoped that his Excellency would do his best to settle the matter in accordance with our suggestions. He said that it was to be decided within the next few days at a Cabinet committee. We were interrupted at this point of our conversation.

I have, &c.
A. NICOLSON.

[5083]

No. 222.

Sir A. Nicolson to Sir Edward Grey.—(Received February 14)

(No. 72.)
Sir,

St. Petersburg, February 5, 1910.

I ENQUIRED of M. Isvolsky this afternoon when the committee would meet to decide on the question of making the advance of 400,000*l.* to the Persian Government, as I could gather from Sir G. Barclay's telegrams, and especially from an interview he had recently had with the Nasr-ul-Mulk, how urgent the matter was. His Excellency said that the meeting would be held within the next few days. As there has been so much correspondence, telegraphic and other, of late on the subject of this advance, and as there may be a little confusion in the mind of M. Isvolsky, I thought it well to put in a few lines our point of view on the subject. I therefore addressed a private note to M. Isvolsky, of which I beg leave to enclose a copy.

I have, &c.
A. NICOLSON.

Enclosure in No. 222.

Sir A. Nicolson to M. Isvolsky.

*Saint-Pétersbourg, le 23 janvier
(5 février), 1910.*

Mon cher Ministre,
COMME le conseil se réunira très prochainement pour prendre une décision sur la question d'une avance à faire au Gouvernement persan, je voudrais préciser notre point de vue, qui consiste à faire l'avance de 10,000,000 de francs sans délai (5,000,000 chacun) contre les six conditions sur lesquelles les représentants russe et anglais se sont tombés d'accord. Ce serait mieux, à notre avis, de ne pas surcharger l'avance d'autres conditions, et de nous tenir strictement aux termes des six conditions comme elles ont été rédigées par M. de Poklewsky et Sir G. Barclay ensemble. Au risque de

trop vous ennuyer, je dois de nouveau exprimer l'espoir, vu l'urgence de la question, que le conseil émettra une opinion favorable sous bref délai.

Votre, &c.
A. NICOLSON.

[5084]

No. 223.

Sir A. Nicolson to Sir Edward Grey.—(Received February 14.)

(No. 76 A.)

Sir,
I ENQUIRED of M. Isvolsky to-day whether he had received any intelligence of the discussion in the Persian Assembly in regard to the presence of Russian troops in Persia. He replied in the affirmative, and remarked that the attitude of the Medjliiss was most impertinent and very foolish. I knew well that the Russian troops had not entered Persia for their own pleasure, or with any objects other than those of guarding the roads and securing the safety of Russians and other Europeans either at Tehran, Ardebil, or elsewhere. The dispatch of troops had been a necessity imposed upon the Russian Government by the inability of the Persians to maintain order themselves; and, in fact, the presence of the Russian troops had been on more than one occasion of great advantage to the Nationalists themselves. He was annoyed by the discussion and vote in the Medjliiss, as they occurred just at the moment when he was preparing some proposals which he intended to lay before the inter-departmental committee on Thursday next for the reduction or withdrawal of the Russian troops. The defeat and flight of Rahim Khan had disposed of that individual as being a danger, and he was about to propose to entrust the policing of the Ardebil road to the Persians. I enquired as to the force at Kazvin. That also, M. Isvolsky replied, would have been withdrawn or largely reduced. He had always been in favour of recalling the Russian troops on the first opportunity, but after what had occurred in the Medjliiss it would be exceedingly difficult for him to press the matter, as it would have the appearance that Russia was yielding to Persian pressure.

I said that I presumed that the proceedings of the Medjliiss would have no influence on the decision of the Russian Government in regard to a money advance to the Persian Government. His Excellency replied that was a separate question to be decided on its own merits. He asked whether we had not been landing detachments in the south. I told him that a force had been landed to seize a dépôt of arms, and he knew that we were obliged to take active measures to check the gun-running, which had assumed serious proportions. The force had re-embarked directly they had effected their object.

M. Isvolsky said that the conduct of the Persians towards Russia was very vexatious. He had received a note from the Persian chargé d'affaires, requesting that Rahim Khan should be extradited. This was an inadmissible request. Rahim Khan had been transported to the north in the Caucasus; and an enquiry would be held to ascertain whether he had been implicated in pillage or other misdeeds, and his treatment would depend on the results of that enquiry. Of course, it was out of the question to think of surrendering him to the Persian authorities. Steps had been taken to endeavour to prevent any influx of other fugitives into Russian territory.

M. Isvolsky was not incensed at what had occurred in the Medjliiss. He regarded it as an unfortunate, untimely, and foolish ebullition of feeling.

I have, &c.
A. NICOLSON.

[5155]

No. 224.

Sir G. Lowther to Sir Edward Grey.—(Received February 14.)

(No. 73.)
Sir,

WITH reference to my despatch No. 39 of the 25th ultimo, I have the honour to forward herewith a despatch from His Majesty's acting vice-consul at Van, reporting on the preposterous claim made by the vali of Van to the Solduz district as "annexed territory."

I have, &c.
GERARD LOWTHER.

Enclosure in No 224.

Acting Vice-Consul Morgan to Sir G. Lowther.

(No. 23.)
Sir,

Van, December 29, 1909.

AS regards the incident between Turks and Persians in the district of Solduz, south of Lake Urmiah, I had a conversation with the vali on the subject. His views on the matter are simple.

Solduz forms part of the annexed territory, and is under the jurisdiction of the Van vilayet. Our troops have been in occupation there for the last three years. The incident was produced by some forty Persians entering the district and provoking a conflict with our troops. As a result of the conflict some five Persians were killed. There were no casualties among the Turkish troops.

From the vali's point of view, therefore, the contested zone and a good deal of Persian territory besides has now become "annexed territory." That I am not the only person to whom the vali has spoken of the "annexed territory" I have proved by comparing notes with my French colleague, in conversation with whom the vali has often referred to the contested zone as "annexed territory."

When one considers that Turkish troops have now been in various Persian towns for some years, and have met with no other opposition than notes presented to the Turkish Government by the Persian Ambassador, it is natural that they should not retire and that they should come to look on the territory occupied as their own. No doubt they will continue to annex territory until they encounter some serious opposition.

I have, &c.
JAMES MORGAN.

[5076]

No. 225.

Sir G. Barclay to Sir Edward Grey.—(Received February 14.)

(No. 66.)
(Telegraphic.) P.

Tehran, February 14, 1910.

ADVANCE to Persian Government.

I am informed by M. Poklewski that he has received the authorisation to join in offering an advance of 400,000l. on conditions reported in my telegram No. 23 of the 18th January to Persian Government, subject to the rate of interest being fixed at 7 or 8 per cent., and the mint revenue being added to supplement the security of the customs revenue. Further, in order to safeguard ourselves against any but *bonâ fide* Persian enterprises, particular care is to be exercised in the drafting of the last sentence of condition 4.

We may now, I presume, present our reply on these lines to the Persian Government, but I defer taking action until I learn whether you have any instructions for me in regard to wording of condition 4.

[4818]

No. 226.

Sir Edward Grey to Zil-es-Sultan.

Sir,

I HAVE the honour to inform your Imperial Highness that the King's private secretary duly handed to His Majesty your letter of the 26th ultimo, requesting that instructions might be sent to his Minister at Tehran to protect your family and property in Persia.

His Majesty has been graciously pleased to cause your Imperial Highness's letter to be forwarded to me and to signify his commands that I should reply to it, and I have accordingly the honour to state that on the 27th ultimo instructions were sent to His Majesty's Ambassador at Paris to inform you of the steps taken by His Majesty's Government in view of the desire expressed by you for their intervention in the matter of the seizure by the Governor-General of Ispahan, under orders from the Persian Government, of two villages forming part of your property near that town.

The letter addressed to your Imperial Highness by Sir F. Bertie in fulfilment of

these instructions has no doubt already reached you, but I have now learnt that the decision of the Persian Government to seize the property in question was due to your failure to meet a promissory note for 200,000 tomans given in addition to the 100,000 tomans paid by you as ransom while you were in Persia last September.

I must remind your Imperial Highness that this exaction was the direct result of a journey to Persia undertaken by your Imperial Highness in direct opposition to the advice tendered to you by His Majesty's and the Russian Governments, and in these circumstances I can but express my regret that His Majesty's Government have no ground for intervention to save you from the consequences of an act by which you forfeited your claim to their protection.

I have, &c.
E. GREY.

[5355]

No. 227.

Board of Trade to Foreign Office.—(Received February 15.)

Sir,

Board of Trade, February 14, 1910.

WITH reference to your letter of the 28th January and to previous correspondence on the subject of the provision of road-guards in Southern Persia, I am directed by the Board of Trade to state, for the information of Sir E. Grey, that the Board will have no objection to approaching interested British firms in the manner suggested in the last paragraph of your letter under reply. They doubt, however, whether they are likely to be successful in removing the objections indicated in the letter from this department of the 28th December, unless they are able to place those firms in possession of some new facts bearing upon the matter with which at present the Board are not acquainted.

The Board are unable to reconcile the figures in their possession with the view stated in your letter to be held by Sir G. Barclay and Major Cox, to the effect that the imposition of a surtax of 10 per cent. at Bushire alone would be insufficient to provide the necessary funds for the provision of the suggested road-guards, unless they are to understand that a limited scheme such as that suggested by Mr. Acting Consul Bill in his despatch of the 1st September is now considered to be out of the question. The Board would have been disposed to expect, on the one hand, that the improved security of the roads from Bushire would counterbalance the cost of the small increase of duty on goods imported through that port, and so would prevent any diversion of trade; and, on the other, that the improvement of facilities solely at Bushire out of the proceeds of a tax levied on imports at all South Persian ports would tend to divert trade from the other ports to Bushire.

In view, however, of the fact that their knowledge of local conditions is necessarily imperfect, the Board do not desire to press their objection to the surtax being levied at all the South Persian ports, should Sir E. Grey think it desirable, on the balance of considerations, to give his consent. In that event, however, it seems to be a question whether it would not be advisable for such consent to be given without any renewal of a discussion with the interested firms, from whom continued opposition may be anticipated.

I am, &c.
GEO. J. STANLEY.

[5419]

No. 228.

Sir G. Barclay to Sir Edward Grey.—(Received February 15.)

(No. 68.)

(Telegraphic.) P.

Tehran, February 15, 1910.

HIS Majesty's acting consul at Shiraz reports a rumour that Soulet-ed-Dowleh has been promised 40,000 tomans by the Sheikh of Mohammerah towards a movement against Ispahan and Tehran by the Kashgais.

In order to ascertain whether there is any foundation for this story, I have sent instructions to His Majesty's consul at Mohammerah to question the sheikh confidentially, and to warn him that he would alienate our sympathy by assisting such a movement, and that the danger of intervention which would follow civil war in the south makes it imperative that he should persevere in his allegiance to the Government at Tehran.

[5439]

No. 229.

Sir A. Nicolson to Sir Edward Grey.—(Received February 15.)

(No. 56.)

(Telegraphic.) R.
RAHIM KHAN.*St. Petersburg, February 15, 1910.*

Your telegram No. 73 of the 10th February and Sir G. Barclay's telegram No. 52 of the 8th February.

Minister for Foreign Affairs informs me that Rahim Khan, besides some live stock, brought with him about 200 carpets of various sizes. Minister for Foreign Affairs points out that it is difficult to take any steps without some more precise data as to what property belongs to British subjects, and which he is supposed to have carried away with him. He adds that proper course for any claimant to take is to bring his claims with proofs before police authorities, who could then enquire into matter, and if stolen objects are found tribunals are competent to decide as to their restitution.

[5076]

No. 230.

Sir Edward Grey to Sir G. Barclay.

(No. 29.)

(Telegraphic.) P.

Foreign Office, February 15, 1910.

ANGLO-RUSSIAN advance. See your telegram No. 66 of yesterday.

His Majesty's Government would prefer a rate of interest of 7 per cent. to one of 8 per cent., and trust that this will meet with M. Poklewsky's approval. As regards fourth condition, we prefer the wording given below:—

"Persia will grant no concession for railway lines without previously offering the British and Russian Governments the option of constructing such lines. The British and Russian Governments will not exercise this option in the case of a concession which they are satisfied is to be granted to a Persian subject for construction and exploitation by exclusively Persian capital."

Of course, a combination of Russian or British with Persian capital would be understood as being included in the term "Persian capital." A note supplementing loan agreement might make this point clear, or it could be explained in some other way if you have any more suitable method to suggest.

No. 231.

Sir Edward Grey to Sir G. Barclay.

(No. 30.)

(Telegraphic.) P.

Foreign Office, February 15, 1910.

YOU should suggest to Persian Government, as soon as advance is settled, that they should give some evidence of friendliness towards ourselves and Russia, and you should especially impress upon them that it is impossible for Russia to take any steps towards withdrawal of troops unless Persian Government and Medjliss show her some signs of friendliness.

Persian Government cannot expect Russia to withdraw her troops under pressure, and specially while hostile demonstrations in Medjliss give her cause to think that withdrawal of troops will be used by Persia to damage Russian interests in the north.

[5445]

No. 232.

Sir A. Nicolson to Sir Edward Grey.—(Received February 16.)

(No. 84.)

Sir,

St. Petersburg, February 13, 1910.

THE following semi-official communiqué was published in the press yesterday:—

"Some foreign newspapers have circulated the news that the Russian Government protect Rahim Khan, who has fled into Russian territory, and that they are extending to him special hospitality. This news is an invention. Rahim Khan, who played an active part in contending against the present Government, is regarded by the Russian

Government as a political offender, and as such, according to the generally recognised international custom, is not liable to extradition. In order to cut off all communication between this refugee and his fellow tribesmen in Persia, and to prevent on his part any kind of intrigue, he has been directed to move from the frontier and to betake himself to Ekaterinodar."

I have, &c.
A. NICOLSON.

[5446] No. 233.

Sir A. Nicolson to Sir Edward Grey.—(Received February 16.)
(No. 85.)

Sir,
St. Petersburg, February 13, 1910.
I HAVE the honour to transmit herewith copy of an *aide-mémoire* which I have received from the Russian Government defining their views in regard to the conditions to be attached to an advance to the Persian Government.

I have, &c.
NICOLSON.

Enclosure in No. 233.

Aide-Mémoire communicated to Sir A. Nicolson by M. Isvolsky.

LE Gouvernement Impérial se déclare prêt à participer à une avance de 10,000,000 de francs à faire sans délai, conjointement avec le Gouvernement britannique, au Gouvernement persan.

Le Gouvernement Impérial partage l'avis du Gouvernement britannique qu'il ne faudrait pas surcharger l'avance de conditions trop onéreuses et que le programme élaboré par les Ministres de Russie et de la Grande-Bretagne à Téhéran pourrait servir de base pour les négociations avec le Gouvernement persan. Il croit, cependant, nécessaire de porter le montant des intérêts de l'avance à 8 pour cent, à la rigueur à 7 pour cent, étant donné que les emprunts précédents de la Perse avaient été conclus à raison de 9 à 12 pour cent, et qu'un emprunt étranger ultérieur plus considérable ne saurait probablement être réalisé à moins de 7 ou 8 pour cent.

En outre, le Gouvernement russe préférerait que l'avance fût garantie, en premier lieu, par les revenus des douanes, et que ceux de la monnaie ne constituent qu'une hypothèque supplémentaire.

Des instructions dans ce sens ont été expédiées par télégraphe au Ministre de Russie à Téhéran, qui a été invité de s'entendre en même temps avec son collègue britannique en vue de rédiger l'article 4 des conditions se rapportant à la question des chemins de fer d'une façon qui écarterait la possibilité de la formation de compagnies persanes fictives pour la construction de chemins de fer à l'aide de capitaux étrangers, au détriment des intérêts de la Russie et de l'Angleterre.

Le Gouvernement Impérial se plaît à croire que le Cabinet de Londres voudra bien munir de son côté Sir G. Barclay d'instructions analogues.

Saint-Pétersbourg, le 30 janvier (12 février), 1910.

[5576] No. 234.

Sir G. Barclay to Sir Edward Grey.—(Received February 16.)
(No. 70.)

(Telegraphic.) P. Tehran, February 16, 1910.

ADVANCE to Persian Government.

Please refer to your telegram No. 29 of the 15th February.

I have the honour to report that to-day my Russian colleague and I presented a joint note to Persian Government, setting forth the conditions on which the two Governments are ready to advance 400,000*l.* jointly. For conditions, please see my telegram No. 23 of the 18th January. Only alteration is that security demanded is customs revenue, supplemented by addition of mint profits; advance to bear 7 per cent. interest. Wording suggested in your above-mentioned telegram has been adopted for condition dealing with railway enterprise.

[4925]

No. 235.

Sir Edward Grey to Sir G. Barclay.

(No. 21.)
Sir,

Foreign Office, February 16, 1910.

ON receipt of your telegram No. 43, relative to the transfer to the Bakhtiari khans of the shares in the First Exploitation and Bakhtiari Oil Companies to which they are entitled, I caused a letter to be addressed to the Anglo-Persian Oil Company informing them of your opinion that, even if they objected to the delivery to those chiefs of their shares till the oil has passed through the pipes, it would still be desirable that His Majesty's consul at Ahwaz should be made the channel of delivery of the shares when the time comes for these to be handed over.

The letter concluded with an enquiry whether the company would see any objection to giving an undertaking to that effect.

I transmit to you herewith copy of the reply of the company to this communication,* from which it appears that, while they are glad to avail themselves of the good offices of His Majesty's consul in the matter, they consider that it will help to maintain the position of their agents on the spot in relation to the khans if those agents are present at the time of delivery and hand the shares to Mr. Ranking, who would then hand them to the khans.

I should be glad to receive an expression of your views on this proposal of the company.

I am, &c.
E. GREY.

[5620]

No. 236.

India Office to Foreign Office.—(Received February 17.)

Sir,

India Office, February 16, 1910.

IN reply to your letter dated the 7th February, 1910, forwarding copy of a letter from the Anglo-Persian Oil Company as to the employment of Mr. Scott in connection with the company's survey in South-West Persia, I am directed to inform you that Viscount Morley concurs with Sir E. Grey that, in the circumstances, it is unnecessary to take any action on the company's letter.

I am, &c.
R. RITCHIE.

[5622]

No. 237.

Admiralty to Foreign Office.—(Received February 17.)

Sir,

Admiralty, February 16, 1910.

WITH reference to your letter of the 24th September last and subsequent correspondence, I am commanded by my Lords Commissioners of the Admiralty to request that you will acquaint the Secretary of State for Foreign Affairs that a telegram has been received from the Commander-in-chief, East Indies, stating that His Majesty's consul-general, Bushire, reports that there is no prospect at present of its being possible to dispense with the naval Maxim detachment which was sent up for the protection of the consulate at Shiraz last August.

The detachment consists of Lieutenant Lang, R.N., one corporal, three privates R.M.L.I., and one armourer's mate.

My Lords consider that this is not a service on which naval ranks and ratings should continue to be employed, and I am to request that the Secretary of State may cause arrangements to be made for their relief, if necessary, by Indian troops at the earliest date possible, as they are required to return to their ships.

I am, &c.
C. I. THOMAS.

[5618]

No. 238.

India Office to Foreign Office.—(Received February 17.)

Sir,

India Office, February 16, 1910.
 I AM directed by the Secretary of State for India to say that he has given his careful attention to your letter No. 1006 of the 31st January, on the subject of the further assurances which the Sheikh of Mohammerah desires to receive from His Majesty's Government, and I am to offer the following remarks upon the proposals made by Secretary Sir E. Grey:—

1. As regards the extension of the present assurances to the sheikh's male descendants, I am to say that the proviso that they are only to hold good so long as his male descendants not only fulfil their obligations to His Majesty's and the Persian Governments, but also are acceptable to the tribesmen, removes the objection which Viscount Morley would have felt to giving an unqualified dynastic pledge, and he approves the proposal accordingly.

2. On the point of the time limit, he is inclined to doubt the wisdom of departing from the present indefinite assurance, in view of the uncertainty of the future in the Persian Gulf; and he is confirmed in his doubt by the consideration urged in paragraph 15 of your letter read with head 2 of Major Cox's memorandum, which explains the origin of the sheikh's desire. He would accordingly suggest that this concession should be kept in reserve for the present.

3. Lord Morley is willing to submit the sheikh's name to the King for the grant of an honorary K.C.I.E. on a suitable occasion, as to which Sir E. Grey will doubtless advise him.

4. On the question of protecting the sheikh against foreign aggression, his lordship observes that, though the extension of the assurance from naval defence to defence by land introduces no new principle, it is undoubtedly open to serious practical objections; and he shares Sir E. Grey's desire that His Majesty's Government should not bind themselves to forcible intervention. He would suggest that the language of our agreement with the Ameer might conveniently be followed, and that the assurance should run: "His Majesty's Government will be prepared to aid you to such extent and in such manner as may appear to them desirable in the event of an unprovoked attack by a foreign Power or encroachment," &c. In the longer form of assurance intended for the sheikh's personal satisfaction, as well as in that to be shown to the tribesmen, it should be made very plain that this guarantee is conditional upon his being guided by our advice and maintaining an attitude satisfactory to us.

5. The other proposals seem to Lord Morley to be suitable; but he would be glad if he might be allowed to see the draft assurances in their final form before instructions are sent to Sir George Barclay.

I am, &c.
 R. RITCHIE.

[5675]

No. 239.

Sir G. Barclay to Sir Edward Grey.—(Received February 17.)

(No. 71.)
 (Telegraphic.) P.

Tehran, February 17, 1910.
 PLEASE refer to your telegram No. 30 of the 15th February. The delay that has elapsed since Persian Government approached the two Governments has apparently strengthened the party opposed to a joint advance; we cannot, I think, count with any certainty on the acceptance of our conditions. At any rate there appears to be no immediate prospect of a settlement of the question on which, I understand, the instructions contained in your above-mentioned telegram become operative.

Nevertheless I have impressed upon Persian Government, on every occasion, that the withdrawal of Russian troops will not be brought about by anti-Russian demonstrations, and I have pointed out to them the desirability of proving their goodwill by giving satisfaction to Russian Minister with regard to the cases in which he is interested.

There has been no demonstration in the Medjliiss against Russian troops since the resignation of the Minister for Foreign Affairs, but I hear that difficulty was experienced in averting hostile interpellations on the subject of the Cossack brigade.

[5702]

No. 240.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, February 17, 1910.
 WITH reference to my letter of the 5th ultimo relative to the desire of a British financier to acquire the interest of the Persian Government in the so-called "D'Arcy Oil Concession," I am directed by Secretary Sir Edward Grey to inform you that he has received a despatch from His Majesty's Minister at Tehran, reporting that, in urging the Persian Government not to part with that interest, he thought it well to state to the Persian Minister for Foreign Affairs that he expected to be apprised in the case of any future offers which they might receive, in order that he might inform your company, who possessed, morally, a preferential right of acquisition. Sir G. Barclay added, however, that he knew that your company were very anxious that the Persian Government should retain their interest in the undertaking.

I have, &c.
 LOUIS MALLET.

[5692]

No. 241.

Sir A. Nicolson to Sir Edward Grey.—(Received February 18.)

(No. 58.)
 (Telegraphic.) P.
 PERSIA.

St. Petersburg, February 17, 1910.

I received a visit to-day from the Persian chargé d'affaires, who called to ask whether any news had reached me from you with regard to Rahim Khan's future. My answer was that I did not expect any news on this subject from His Majesty's Government.

Persian chargé d'affaires then went on to say that he had addressed an official request to the Russian Government for Rahim Khan's extradition. I said that this fact was already known to me, and added that I believed that the Russian Government regarded Rahim as a political refugee, and that the question as to whether he should be given up was one which rested entirely with the Russian Government.

I pointed out to the Persian chargé d'affaires that Russia had just given evidence of her good will to Persia by joining with Great Britain in offering an advance to the Persian Government, and I took the opportunity of impressing on him how necessary it was that Persia should adopt a conciliatory attitude towards Russia. Both Russia and Great Britain, I said, were most anxious to assist Persia, and were working cordially together with that end in view; but the party whom both Powers were desirous of benefiting must also be ready to reciprocate the good feeling.

On his referring to the continued presence in Persia of Russian troops, I said that I was sure that the Russian Government were anxious for their withdrawal, but that I feared that that step had not been facilitated by the debate recently held in the Medjliiss.

[5576]

No. 242.

Sir Edward Grey to Sir G. Barclay.

(No. 33.)
 (Telegraphic.) R.

Foreign Office, February 18, 1910.
 YOUR telegram No. 70 [of 16th February: Advance to Persia].
 Please telegraph text of conditions in cypher R.

[5436]

No. 243.

Sir Edward Grey to Sir A. Nicolson.

(No. 50.)
 Sir,

Foreign Office, February 18, 1910.
 THE Russian Ambassador informed Sir C. Hardinge on the 14th instant that he had learnt from the Russian Minister for Foreign Affairs that the Persian Minister at [1704]

St. Petersburg had presented a note, asking for the withdrawal of the Russian troops from Persian territory.

His Excellency said that M. Isvolsky did not propose to give a written reply to this note, and that he considered that it would be impossible immediately to withdraw the Russian forces under pressure of this kind.

M. Isvolsky emphasised the fact that the Russian Government had done a good deal for Persia of late in supplying the Persian Government with arms and ammunition and now in agreeing to the joint advance. The best course to adopt to facilitate the withdrawal of the troops would be to obtain some friendly manifestation on the part of the Medjlis to remove the ill-effects of their hostile attitude towards Russia.

Count Benckendorff asked whether Sir G. Barclay could assist matters by giving advice in this sense, and Sir C. Hardinge replied that he would submit the question to me.

It appears to me that the joint advance will present a favourable opportunity to obtain a manifestation of the kind required towards Great Britain and Russia, which would be much easier to obtain than any demonstration in favour of Russia alone. It is very desirable that every excuse for prolonging the stay of the Russian troops should be removed, and as soon as the negotiations for the advance are completed by the Persian Government, it would be well that Sir G. Barclay should advise them to make a friendly manifestation in the desired sense.

I accordingly addressed to Sir G. Barclay on the 15th instant my telegram No. 30, furnishing him with the instructions required to carry out this idea.

I am, &c.
E. GREY.

[5842]

No. 244.

Sir G. Barclay to Sir Edward Grey.—(Received February 19.)

(No. 15.)

Sir,

WITH reference to my telegram No. 700 of the 29th August last, I have the honour to report that I have at last succeeded in eliciting an official reply to my repeated enquiries as to who is the Imperial commissioner of the Oil Company.

The Minister for Foreign Affairs has now informed me in writing that Sadik-es-Sultaneh continues to be the commissioner.

I have, &c.
G. BARCLAY.

[5823]

No. 245.

Sir A. Nicolson to Sir Edward Grey.—(Received February 19.)

(No. 90.)

Sir,

I HAVE the honour to transmit herewith copies of a correspondence with M. Isvolsky in regard to the property which Rahim Khan may have taken with him into Russian territory, and which may include some articles which he pillaged from British subjects.

I have, &c.
A. NICOLSON.

Enclosure 1 in No. 245.

Sir A. Nicolson to M. Isvolsky.

*Saint-Pétersbourg, le 29 janvier
(11 février), 1910.*

Mon cher Ministre,

VOUS m'avez dit l'autre jour qu'une enquête serait ouverte au sujet des agissements de Rahim Khan. On pense qu'il a apporté avec lui sur le territoire russe assez de butin provenant de son activité dans ces derniers temps; et on me fait savoir que quelques sujets anglais ont été victimes de ses déprédations. Il est possible que parmi ses effets il se trouve des objets appartenant à mes compatriotes, et je vous serais très

reconnaissant si vous voulez bien faire indiquer aux autorités compétentes l'opportunité de s'enquérir sur l'origine des effets que Rahim Khan a apportés avec lui.

Votre sincèrement dévoué,
A. NICOLSON.

Enclosure 2 in No. 245.

M. Isvolsky to Sir A. Nicolson.

Mon cher Ambassadeur,

D'APRES les données dont je dispose, Rahim Khan n'a pu emporter avec lui qu'une partie fort limitée de son avoir: il n'a introduit en Russie que 240 têtes de gros bétail, un troupeau de 200 moutons à peu près, et environ 200 tapis de différentes dimensions.

Je dois du reste attirer votre attention sur le fait que les renseignements contenus dans votre lettre ne possèdent pas un caractère suffisamment précis pour nous donner la possibilité de procéder à une enquête. Conformément aux lois en vigueur, les personnes qui suspectent quelqu'un de récélérer des objets leur appartenant sont tenues de s'adresser aux autorités policières et de leur fournir les preuves nécessaires de leurs droits de propriété sur ces objets, après quoi la police procède aux perquisitions d'usage et, si les objets en question sont retrouvés, c'est aux tribunaux d'en prononcer la restitution au propriétaire. Il me semble que dans le cas présent ceci est la seule voie ouverte à vos compatriotes qui soupçonnent Rahim Khan de récélérer des objets leur appartenant.

Votre sincèrement dévoué,
ISVOLSKY.

[5865]

No. 246.

Sir G. Barclay to Sir Edward Grey.—(Received February 19.)

(No. 73.)

(Telegraphic.) R.

Tehran, February 19, 1910.
YOUR telegram No. 33 instructing me to telegraph "text of condition." Which is the one you require? Condition 4 is worded as in your telegram No. 29 of the 15th February.

To telegraph full text would cost 30L.

Only change from wording of my telegram No. 23 of any importance is in condition 3, where "as soon as possible" is substituted for "in due course."

[5932]

No. 247.

Sir A. Nicolson to Sir Edward Grey.—(Received February 19.)

(No. 60.)

(Telegraphic.) P.

St. Petersburg, February 19, 1910.

PROPOSED advance to Persian Government.

Inaccurate accounts of the conditions attached by the two Governments to the advance are being published by certain papers here, and M. Isvolsky therefore mentioned to me to-day the question of whether some authentic details should not be communicated to the press. I said that the present moment seemed inopportune for such a step, and with this M. Isvolsky agreed, but suggested that it would be well that some agreement should be arrived at by the two Governments as to what communication could be made a little later on to the press.

No news had reached M. Isvolsky from Tehran as to how the Persian Government viewed the conditions attached to the advance, and I thought it as well not to mention to him at present that there was any possibility of the Persians making difficulties or of delays occurring.

[5933]

No. 248.

Sir A. Nicolson to Sir Edward Grey.—(Received February 19.)

(No. 61.)

(Telegraphic.) P.

St. Petersburg, February 19, 1910.

RETENTION of Russian troops in Persian territory.

In a conversation with M. Isvolsky to-day, I took the opportunity of referring to the continued presence of Russian troops in Persia. M. Isvolsky said that if an opportunity presented itself and if no further manifestations were made on the subject by Persia, he would be prepared to withdraw the troops from Kazvin. I said that this would have an excellent effect. M. Isvolsky went on to say that the news which reached him from Tabreez was not quite satisfactory; that the Governor-General there was powerless; and that trouble was being stirred up by Sattar and Baghir Khan, while there was no security for traffic on the Ardebil road. I suggested that the re-establishment of order might perhaps be entrusted to Ephrem's forces, but to this M. Isvolsky replied that Ephrem's men would probably only still further complicate the situation by coming into collision with the followers of Sattar and Baghir. Ephrem's attitude, moreover, was that it was impossible for him to make any movement so long as the Russian forces remained at Tabreez or in the neighbourhood.

The withdrawal of the troops from Kazvin seems to offer the line of least resistance, and would also perhaps go some way towards conciliating the Persians, and I think, therefore, that for the present I should concentrate M. Isvolsky's attention on this point. In two or three days' time I will again approach him on the question.

[5576]

No. 249.

Foreign Office to India Office.

(Secret.)

Sir,

WITH reference to your letter of the 11th December last and other correspondence relative to the proposed advance of 400,000*l.* to be made jointly by His Majesty's Government and the Russian Government to the Persian Government, I am directed by Secretary Sir Edward Grey to inform you that the Persian Government have been informed that the two Governments are prepared to make the advance subject to the following six conditions:—

1. The Persian Government must present a detailed programme of expenditure of the money which meets with the approval of the two legations, which expenditure according to the programme will be controlled by a commission composed of the Financial Adviser, the Administrator of the Customs, two members of the Medjliss, and two other Persians, under the presidency of the Minister of Finance. No payment shall be made to any department without the signature of the Minister of Finance with the approval of the commission and of the Minister whose department is concerned.

2. The programme of expenditure must provide for the appointment of seven French officials in the Ministry of Finance, with executive powers, in accordance with the recommendations contained in a report recently submitted to the Persian Government by the Financial Adviser, and no part of the advance will be paid until the Persian Government have formally applied to the French Government for the loan of these experts.

3. The programme of expenditure must provide for the formation of a sufficient gendarmerie or road-guard for the protection of the trade routes, and the Persian Government must undertake that foreign instructors, with the previous approval of Great Britain and Russia, shall be engaged as soon as possible. It is understood that no foreign instructor for any Persian force shall be engaged without the consent of the two Powers.

4. Persia will grant no concession for railway lines without previously offering to His Majesty's and the Russian Governments the option of constructing such lines. His Majesty's and the Russian Governments will not exercise this option in the case of a concession which they are satisfied is to be granted to a Persian subject for construction and exploitation by exclusively Persian capital. (The term "Persian capital" is taken to include a combination of Persian with British or Russian capital, and this would be made clear to the Persian Government.)

5. The Persian Government must grant to the Tabreez Road Company the concession for the navigation of Lake Urumia.

6. The repayment of the advance must be a first charge on a subsequent larger loan to be raised by the Persian Government in the open market if His Majesty's and the Russian Governments agree to facilitate this transaction, failing which it must be repaid in ten annual instalments, together with 7 per cent. interest, both principal and interest being secured on the revenues of the customs with the profits of the Persian mint as a supplementary guarantee.

I am accordingly to request that Viscount Morley will be so good as to cause the necessary instructions to be given for the sum of 100,000*l.*, representing the half of the British share of the advance to be contributed from Indian funds, to be retransferred to the Imperial Bank of Persia, who have been instructed to receive it and to place it to the order of His Majesty's Minister at Tehran.

I am to add that the Treasury have been asked to take similar steps as regards the half of the advance to be provided from Imperial sources.

I am, &c.

LOUIS MALLET.

[5576]

No. 250.

Foreign Office to Treasury.

(Secret.)

Sir,

I AM directed by Secretary Sir Edward Grey to refer to Sir Edward Hamilton's letter of the 26th August, 1907, and previous correspondence relative to a joint advance of 400,000*l.*, which it had been proposed that His Majesty's Government and the Russian Government should make to the Persian Government.

The Lords Commissioners of His Majesty's Treasury are aware that the amount of this advance was never actually paid to the Persian Government, and that on the 5th September, 1907, the Imperial Bank of Persia, to which 50,000*l.* had been paid as one-half of the Imperial, and 100,000*l.* as the whole of the Indian contribution to the loan, returned those sums to the Treasury and India Office respectively.

It was, however, agreed by the two Governments at the time that the amount of the advance should still be considered to remain at the disposal of the Persian Government, and it was on this understanding that the above-mentioned repayment was made, as appears from Mr. Mallet's letter of the 16th August, 1907, by which Sir E. Grey reserved to himself the right to request that the Imperial contribution to the advance might again be paid to the bank should circumstances render it advisable to complete the transaction.

I am to state that such circumstances have, in the opinion of Sir E. Grey and the Russian Minister for Foreign Affairs, now arisen, and that they have decided, after a prolonged exchange of views, to comply with a request which they have received from the Persian Government by advancing to the latter jointly a sum of 400,000*l.*, to be devoted to the re-establishment of order in the country and the introduction of certain pressing reforms in the administration.

The Persian Government have been informed that the two Governments are prepared to make the advance subject to the following six conditions:—

1. The Persian Government must present a detailed programme of expenditure of the money which meets with the approval of the two legations, which expenditure according to the programme will be controlled by a commission composed of the Financial Adviser, the Administrator of the Customs, two members of the Medjliss, and two other Persians, under the presidency of the Minister of Finance. No payment shall be made to any department without the signature of the Minister of Finance with the approval of the commission, and of the Minister whose department is concerned.

2. The programme of expenditure must provide for the appointment of seven French officials in the Ministry of Finance, with executive powers, in accordance with the recommendations contained in a report recently submitted to the Persian Government by the Financial Adviser, and no part of the advance will be paid until the Persian Government have formally applied to the French Government for the loan of these experts.

3. The programme of expenditure must provide for the formation of a sufficient gendarmerie or road-guard for the protection of the trade routes, and the Persian

Government must undertake that foreign instructors, with the previous approval of Great Britain and Russia, shall be engaged as soon as possible. It is understood that no foreign instructor for any Persian force shall be engaged without the consent of the two Powers.

4. Persia will grant no concession for railway lines without previously offering to His Majesty's and the Russian Governments the option of constructing such lines. His Majesty's and the Russian Governments will not exercise this option in the case of a concession which they are satisfied is to be granted to a Persian subject for construction and exploitation by exclusively Persian capital. (The term "Persian capital" is taken to include a combination of Persian with British or Russian capital, and this would be made clear to the Persian Government.)

5. The Persian Government must grant to the Tabreez Road Company the concession for the navigation of Lake Urumia.

6. The repayment of the advance must be a first charge on a subsequent larger loan to be raised by the Persian Government in the open market if His Majesty's and the Russian Governments agree to facilitate this transaction, failing which it must be repaid in ten annual instalments, together with 7 per cent. interest, both principal and interest being secured on the revenues of the Customs, with the profits of the Persian mint as a supplementary guarantee.

I am accordingly to request that their Lordships will be so good as to cause the necessary instructions to be given for the sum of 100,000*l.*, representing the half of the British share of the advance to be contributed from Imperial funds, to be re-transferred to the Imperial Bank of Persia, who have been instructed to receive it and to place it to the order of His Majesty's Minister at Tehran.

I am to add that the India Office have been asked to take similar steps as regards the half of the advance to be provided from Indian sources.

I am, &c.
LOUIS MALLET.

[5576]

No. 251.

Foreign Office to Imperial Bank of Persia.(Secret.)
Sir,

I AM directed by Secretary Sir Edward Grey to refer to Sir Charles Hardinge's letter of the 28th September, 1906, marked "Secret," relative to a joint advance of 400,000*l.*, which it was at that time proposed that His Majesty's Government and the Russian Government should make to the Persian Government.

Your directors are aware that the British share of this advance amounted to 200,000*l.*, contributed in equal proportions by the Imperial and Indian exchequers, and that of this sum one-half of the former and the whole of the latter contribution (150,000*l.* in all) were placed to the order of His Majesty's Minister at Tehran in the Imperial Bank of Persia.

They will further recollect that, as a result of further negotiations between His Majesty's and the Russian Governments, the amount of the advance was never actually paid to the Persian Government, and that on the 5th September, 1907, the bank, at Sir E. Grey's request, returned to the Treasury and India Office respectively the sums which they had contributed.

It was, however, agreed by the two Governments at the time that the amount of the advance should be considered still to remain at the disposal of the Persian Government, and it was on this understanding that the above-mentioned repayment was made.

I am to inform you that recently this question has again formed the subject of an exchange of views between the two Governments, who have now informed the Persian Government that they are prepared to advance to them jointly a sum of 400,000*l.* Certain conditions will be imposed on the Persian Government in connection with this advance which will be devoted to the re-establishment of order in the country and to the introduction of certain pressing reforms in the administration, and the expenditure of which will be strictly controlled.

As on the former occasion, His Majesty's Government will contribute one-half of the sum advanced, which will once more be provided by the Imperial and Indian exchequers in equal shares and placed in the Imperial Bank of Persia to the order of His Majesty's Minister at Tehran.

If a larger loan is raised at any future time the repayment of this advance will be a first charge upon it, failing which it must be repaid in ten annual instalments together with 7 per cent. interest, both principal and interest being secured on the revenues of the Persian customs, with the profits of the Persian mint as a supplementary guarantee.

I am accordingly to request that, on the receipt of the above-mentioned sums of money, which, if the Persian Government accept the requisite conditions, will be sent to the Imperial Bank of Persia from this department and the India Office, they may be placed with as little delay as possible to the order of His Majesty's Minister at Tehran.

I am, &c.
LOUIS MALLET.

[5965]

No. 252.

Sir G. Lowther to Sir Edward Grey.—(Received February 21.)(No. 81.)
Sir,

RIFAAT PASHA said to me to-day that, as His Majesty's Government had so often made representations concerning Turkish action in Persia, he desired to point out what difficulties they were in in Southern Persia. The Bagdad merchants who had trade with Persia were incurring daily and very considerable losses to their caravans, and all their representations to the Persian Government remained without result. The matter was becoming a very serious one, and the Bagdad deputies were constantly demanding energetic measures, and the Turkish Government were at a loss to know what to do.

Rifaat Pasha was not very clear as to the district in which Turkish merchants had incurred these losses, and I did not encourage him in the conversation.

I have, &c.
GERARD LOWTHER.

[6204]

No. 253.

Sir A. Nicolson to Sir Edward Grey.—(Received February 21.)(No. 67.)
(Telegraphic.) P.*St. Petersburg, February 21, 1910.*

I SPOKE again to M. Isvolsky this morning on the subject of the Russian troops at Kazvin. His Excellency remarked that he was anxious to recall them, but that his task was rendered more difficult by the Persians themselves. In a recent official note the Persian chargé d'affaires had requested the withdrawal of the troops, basing his request on the statement that "order reigned throughout Persia." M. Isvolsky added that it was hardly necessary to make any comment on such a statement in view of the fact that the Ardebil route was still infested by brigands, that the Russian consul-general was still detained at Shiraz, and that the brigands responsible for the attack and pillage of his caravan were still at large and unpunished; that, in fact, there was anarchy throughout the whole of South Persia. The Persian Government was most ill-advised to write official notes in the sense in which they had addressed their recent one. They would give him a handle to propose withdrawal of the Russian troops from Kazvin if they would only show some signs of reason and friendliness, but when all he had in hand were notes of the above-mentioned nature it was difficult for him to lay the matter before the Cabinet.

[6205]

No. 254.

Sir A. Nicolson to Sir Edward Grey.—(Received February 21.)(No. 68.)
(Telegraphic.) P.*St. Petersburg, February 21, 1910.*

M. ISVOLSKY spoke to me to-day on the subject of the request of the Persian Government for the extradition of Rahim Khan, which, he said, could not be acceded to. I observed that I understood that there was a supplementary convention to the treaty of 1844, by which the question of the repatriation of refugees was dealt with.

M. Isvolsky replied that the convention to which I alluded did not apply in any way to the present case of Rahim, and that it referred solely to regulating the ordinary movement backwards and forwards across the Russo-Persian frontier, and to the issue of passports—such frontier matters in fact as had to be regulated in a similar way on other frontiers.

[5622] No. 255.

Sir Edward Grey to Sir G. Barclay.

(No. 34.)

(Telegraphic.) P. Foreign Office, February 21, 1910.
NAVAL Maxim detachment at Shiraz (see your telegram No. 738 of the 22nd September last year).

Commander-in-chief, East Indies, learns from acting consul-general at Bushire that at present there is no possibility of dispensing with detachment.

In view of wish expressed by Admiralty that Indian troops should take their place and the detachment return as soon as possible to their ships, will you inform me how many such troops would be required for the purpose?

[5932] No. 256.

Sir Edward Grey to Sir A. Nicolson.

(No. 93.)

(Telegraphic.) P. Foreign Office, February 21, 1910.
ADVANCE to Persia (see your telegram No. 60 of the 19th instant).

We agree as to unsuitability of publication at the present moment, and will make no communication to the press without previous consultation with M. Isvolsky.

[6302] No. 257.

Sir G. Barclay to Sir Edward Grey.—(Received February 22.)

(No. 74.)

(Telegraphic.) P. Tehran, February 22, 1910.
RUSSIAN troops.

I agree with view expressed in Sir A. Nicolson's telegram No. 61 of the 19th February that it should be our object for the moment to bring about the withdrawal of the Russian force from Kazvin.

From a despatch which I have received from His Majesty's acting consul at Tabreez it is clear that it would be unwise to withdraw troops from Tabreez until the fedai organisation is dissipated, and Sattar and Bagher are removed. Smart will shortly be passing through Tehran, and I shall report further after consultation with him.

(Very Confidential.)

I was lead to think from information which reached me yesterday that certain undesirables among the nationalist volunteers in the capital might cause Persian Government difficulty. After careful enquiry I am satisfied that no trouble need be apprehended. I refer to this now only as St. Petersburg may hear of the rumour.

[6482] No. 258.

Sir Edward Grey to Sir G. Barclay.

(No. 36.)

(Telegraphic.) P. Foreign Office, February 22, 1910.
PLEASE inform me whether Persian Government are likely to object to scheme of oil company for placing barges and launch on the Upper Karun, for transport of oil-field material. Company claim that they have a right to do this under articles 2 and 14, but I think this is open to doubt. They say that it is essential for them to carry out the scheme owing to insufficiency of present service, and I understand that they propose to do so shortly.

[5675]

No. 259.

Sir Edward Grey to Count Benckendorff.

HIS Majesty's Principal Secretary of State for Foreign Affairs presents his compliments to the Russian Ambassador, and, with reference to his Excellency's conversation with Sir C. Hardinge on the 15th instant, in the course of which the latter read to him the text of a telegram which had been sent to His Majesty's Minister at Tehran relative to the present anti-Russian agitation in Persia, has the honour to state that a telegram has now been received from Sir G. Barclay on this subject.

Sir G. Barclay reports that it is impossible to count with any certainty on the acceptance by the Persian Government of the conditions attached by His Majesty's and the Russian Governments to the proposed joint advance, since the delay which has occurred in formulating those conditions appears to have strengthened the party of opposition to the advance.

Sir G. Barclay has, however, lost no opportunity of urging upon the Persian Government the desirability of showing goodwill by the settlement of the cases which his Russian colleague is pressing on them, and of pointing out that an anti-Russian agitation is not the best way to secure the withdrawal of the Russian troops still in the country.

Sir G. Barclay adds that, though hostile interpellations in the Medjlis were only averted with difficulty on the 15th instant, there has been no demonstration in that Assembly against the presence of the Russian forces since the fall of the Persian Minister for Foreign Affairs.

Foreign Office, February 22, 1910.

[5439]

No. 260.

Foreign Office to Messrs. Crump & Son.

Sir,

Foreign Office, February 22, 1910.

I AM directed by Secretary Sir Edward Grey to refer you to my letter of the 10th February, 1909, and previous correspondence, relative to the theft by Rahim Khan of some carpets belonging to Messrs. Nearco Castelli and Brothers.

You are probably aware, from reports which have appeared in the public press, that Rahim Khan, after the complete defeat of his forces by the troops of the Persian Government, took refuge in Russian territory, where he still remains.

On the 8th instant His Majesty's Minister at Tehran reported that he had urged on his Russian colleague the desirability of confiscating any ill-gotten property which Rahim Khan might have carried away with him, and that M. Poklewski had stated that he had submitted the matter to his Government.

Sir G. Barclay added that Rahim Khan was said to have taken across the Russian frontier most of his movable property, consisting for the most part of plundered merchandise, which included, not improbably, Messrs. Castelli's carpets.

Sir E. Grey accordingly instructed His Majesty's Ambassador at St. Petersburg on the 10th instant to request the Persian Minister for Foreign Affairs to verify this report, and on the 15th Sir A. Nicolson replied that M. Isvolsky had informed him that Rahim Khan had brought with him into Russian territory some 200 carpets of various sizes.

M. Isvolsky had, however, pointed out that it was difficult to take any steps without some more precise data as to what part of this property belonged to British subjects, and had added that the proper course for any claimant to take was to bring his claim, supported by proofs, before the police authorities, who could then enquire into the matter, and that, if stolen objects were found, the tribunals were competent to decide as to their restitution.

I am accordingly to state that, if your clients wish to raise such a claim, in case it should turn out, as seems probable, that their carpets are among those now in Rahim Khan's possession, they should forward it to this office for communication to the Russian Government through His Majesty's Embassy at St. Petersburg.

I am, &c.

LOUIS MALLET.

[6489]

No. 261.

Sir G. Louther to Sir Edward Grey.—(Received February 23.)

(No. 34. Confidential.)

(Telegraphic.) P.

Constantinople, February 23, 1910.
 PERSIAN representative has informed Russian Ambassador and myself that his Government have summoned him to Tehran, apparently with the intention of asking him to proceed on a mission to St. Petersburg and London, nominally in order to announce the accession to the throne of the present Shah.

The real object, however, is to endeavour to improve the existing relations between Russia, Great Britain, and Persia, and his Excellency asks: (1) whether, if he agrees to go to Tehran, the Russian and British Ministers there would guarantee him such protection as would ensure his personal safety; (2) whether he would be accorded a favourable reception in London and St. Petersburg in the event of his undertaking the above-mentioned special mission, and whether it would have some chance of success.

While informing his Government by telegraph, M. Scharykow refrains from giving any opinion regarding this communication.

[6451]

No. 262.

Sir G. Barclay to Sir Edward Grey.—(Received February 23.)

(No. 75.)

(Telegraphic.) P.

RAHIM KHAN.

Please refer to your telegraphic communication No. 6 of the 19th November, 1908, and to Sir A. Nicolson's telegram No. 56 of the 15th February, 1910.

At the request of Italian Minister, M. Poklewsky has asked Russian Government to allow Rahim Khan's plunder to be inspected by an agent of Castelli.

[6452]

No. 263.

Sir G. Barclay to Sir Edward Grey.—(Received February 23.)

(No. 76.)

(Telegraphic.) P.

Tehran, February 23, 1910.

REPORTS from Bushire seem to indicate an endeavour on the part of Soulet-ed-Dowleh to form the tribes of Southern Fars into a confederacy for the purpose of checking the spread of the influence of the Bakhtiari. It is said that Soulet intends to march northwards (please refer to my telegram No. 68 of the 15th February), and, although the truth of this story seems to me doubtful, I think that Soulet will continue to harass the Persian Government in Fars unless he can be assured that the Minister of the Interior will not take advantage of office to remove him from the ilkhanship.

Sardar Assad is being pressed to effect a compromise, and the new Governor-General of Fars has, I understand, been instructed to try to arrive at an agreement with the Kashgai chieftain.

[6474]

No. 264.

Sir G. Barclay to Sir Edward Grey.—(Received February 23.)

(No. 77.)

(Telegraphic.) P.

Tehran, February 23, 1910.

REFERENCE to Sir A. Nicolson's telegram No. 61 of the 19th February.

M. Poklewsky informs me that he has suggested to St. Petersburg that the settlement of certain cases should be accepted by Russian Government as an earnest of friendly feeling, upon which withdrawal of troops be made conditional. The arrangement of these cases has frequently been promised, but they require reference to the National Assembly. M. Poklewsky proposes to inform Persian Government that if he is given satisfaction in these matters he would be prepared, provided that there is no further outbreak of disorder nor demonstration against Russian troops, and on

the condition that the position of Russian officers in the Cossack brigade is confirmed in conformity with former firmans and conventions, definitely to promise withdrawal of force stationed at Kazvin.

A dispute has recently arisen regarding the right of the colonel to dismiss officers. M. Poklewsky informs me that a firman secures this right.

[6486]

No. 265.

Sir G. Barclay to Sir Edward Grey.—(Received February 23.)

(No. 78.)

(Telegraphic.) P.

OIL company.

Please refer to your telegram No. 36 of the 22nd February.

Persian Government will, I anticipate, object strongly to the proposal.

I consider that articles 2 and 3, on which oil company rely, are irrelevant to the point in question, and I fear that the necessary permission will be very hard to obtain.

Please see Hertslet's Persian treaties, p. 58, and p. 12 of Asia print January-June 1897 in this connection.

Tehran, February 23, 1910.

[6594]

No. 266.

Mr. F. C. Strick to Foreign Office.—(Received February 24.)

Baltic House, Leadenhall Street, London,
February 23, 1910.

Dear Mr. Mallet,

POSSIBLY it may interest you to know that Messrs. Traun, Stürken and Co., of Hamburg, have just booked a passage for a person whom they designate as Mr. Consul Listemann, from Marseilles to Bushire, on our steam-ship "Kurdistan," sailing from the former port on the 1st proximo.

Yours sincerely,

FRANK C. STRICK.

[6595]

No. 267.

Sir G. Barclay to Sir Edward Grey.—(Received February 24.)

(No. 79.)

(Telegraphic.) P.

Tehran, February 24, 1910.

I HAVE the honour to submit the following reply from His Majesty's acting consul at Shiraz, to whom I repeated your telegram No. 34 of the 21st February with a request for observations:

"Situation in neighbourhood of Shiraz is quite indefinite—anything may occur. There appears to be no prospect of arrival of Governor-General, and no possibility of his doing anything if he comes.

"With regard to the roads: the route by Kazerun is entirely blocked; it is equally impossible to force a passage by the Jirreh road. We should therefore have to trust to Soulet's willingness to give a safe-conduct, to his good faith and power of protecting a force, all of which are uncertain. In connection with this latter point, Soulet is at present reported to be combating a revolt of Kashgai chieftains; further, if he has formed the plans reported in Major Trevor's telegram No. 155 (please refer to my telegram No. 76 of the 23rd February), he would be greatly tempted to gain possession of Maxim. Even if he agreed to safeguard detachment to the coast, I doubt whether he would permit the relieving force to proceed to Shiraz.

"The change proposed in Foreign Office telegram appears to me, for these reasons, very risky, additionally so as there is no telegraph line on this route.

"The situation, it must be remembered, has altered entirely in consequence of the success and impunity which attended the attack on Russian consul. These savages would merely suppose that fear on our part allowed them to go unpunished."

It appears unwise to withdraw the Maxim detachment in view of these circumstances.

Central Government, having realised that it is impossible to coerce Kashgai chieftain, are endeavouring to enlist his aid on the side of order. If these steps lead to nothing, I would propose to have a message conveyed to Soulet-ed-Dowleh warning him of the consequences that will inevitably be brought about by a continuance of disorder in Fars province.

[6600]

No. 268.

Sir G. Barclay to Sir Edward Grey.—(Received February 24.)

(No. 81.)

(Telegraphic.) P.

Tehran, February 24, 1910.

PLEASE refer to my telegrams No. 68, 76, and 79 of the 15th, 23rd, and 24th February, respectively.

His Majesty's acting consul-general at Bushire telegraphs as follows:—

" His Majesty's consul at Mohammerah gives the account herewith transmitted of his interview with the Sheikh of Mohammerah :

" Up till now I have confined myself to exchanging letters and compliments with Soulet-ed-Dowleh. I have not pledged myself in any manner. Other tribal leaders in Persia have, however, written to urge me to combine against the Bakhtiari ascendancy.

" On Sardar Assad's return from Europe he spoke to me solemnly before proceeding to Tehran that he would retire to prove his disinterestedness as soon as he had established constitution. He has broken his word to me, and is establishing a tyranny, in comparison to which previous despotism was preferable, on the plea of constitutionalism.

" The governorship of Tehran, Yezd, Ispahan, and Behbehan, has been given to Bakhtiari. For years I have shared in the governorship of Behbehan, and now the Bakhtiari's governor has dishonoured the wives and boys of deserving men and looted their houses. He is also working against me and intriguing in my lands at Zaidan.

" At Ram Hormuz the situation is exactly similar to that at Behbehan. Bakhtiari sowers are at present demanding taxes without right or precedent in the Kharam region near Shuster, which I rent, and which is occupied by my tribesmen.

" Grave trouble will certainly result if I permit such a state of affairs to continue, and my inaction will be ascribed to weakness. My tribesmen will renounce their allegiance to me and fall into their former factions and lawlessness. I, the hereditary enemy of the Bakhtiari, will fall a prey to them after the defeat of the Kashgai and the Kuhgilui. I have heard it said that the governorship of Arabistan is to be invested in Bakhtiari: conflict must inevitably result from such an appointment. If Sardar Assad takes steps to make himself Shah, His Majesty's Government has promised, —so Sardar Assad's wife boasts—not to put any obstacle in his way. I do not believe this, but I should be glad to be reassured in this matter.

" Personal motives are actuating the Bakhtiari. Perfect order reigns here; my taxes are paid up to date; I maintain friendly relations with governor. I have received telegrams of an insulting nature, such as no Minister has ever sent me before, from Sardar Assad, as Minister of the Interior, particularly as regards the Oil Company's affairs.

" When I aided the Bakhtiari to get rid of the Shah and to establish a constitution, His Majesty's Government raised no protest. I must be on the winning side: the interests of my rule and of my tribesmen demand it. I should be cutting my own throat if I were to continue to support Bakhtiari ascendancy in the capital.

" However, I shall refrain from taking any action whatsoever if His Majesty's Government will agree to secure me against the internal aggression of Bakhtiari, or of the Government in Tehran; otherwise my own interests and those of my tribesmen must guide me."

Until the result of the pressure which is being brought to bear on Sardar Assad to effect a compromise with the Kashgai chieftain is known I defer comments.

[6615]

No. 269.

Sir G. Barclay to Sir Edward Grey.—(Received February 24.)

(No. 82.)

(Telegraphic.) P.

OIL Company.

Tehran, February 24, 1910.

In continuation of my telegram No. 78 of the 23rd February, I have the honour to report that His Majesty's consul at Mohammerah, who has advised the Oil Company, without informing me, to place the launch on the Upper Karun on its arrival, reports that, so long as the launch is employed for the purpose of the concession only, there is little likelihood of any protest being made locally.

I adhere to my opinion that the Persian Government would raise strong objections to this launch being placed on the Upper Karun without permission, and I have instructed Lieutenant Wilson to warn company to take no steps for the present.

In the meantime I shall apply for the desired permission to the Persian Government.

[6489]

No. 270.

Sir Edward Grey to Sir G. Lowther.

(No. 42.)

(Telegraphic.) P.

Foreign Office, February 24, 1910.

SUBJECT to consent of your colleague, you may inform Rifaat Pasha, in connection with your telegram No. 34 of yesterday, that the attitude of His Majesty's Government is as follows:—

They consider the recall of Persian Ambassador to Tehran as a matter which concerns the Ambassador himself and his Government, and do not see how the present case necessitates assurances on their part.

[6629]

No. 271.

Sir Edward Grey to Sir G. Lowther.

(No. 43.)

(Telegraphic.) P.

Foreign Office, February 24, 1910.

DISTURBANCES at Tabreez.

I hear from Count Benckendorff that, in view of report that Sattar and Baghir Khans intend to take bast in Turkish consulate-general at Tabreez and are creating trouble in the town, his Government have instructed M. Tcharykow to urge Ottoman Government to instruct their consul-general to refuse bast to the khans. Russian Government are acting on the ground of a promise given by the Porte. They ask for the support of His Majesty's Government at Constantinople, which your Excellency is authorised to give accordingly.

[5355]

No. 272.

Foreign Office to Board of Trade.

Sir,

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 14th instant, on the subject of the provision of guards for the protection of trade on the roads of Southern Persia.

I am to observe that Sir E. Grey regards the scheme suggested by the British acting consul at Shiraz, to which reference is made in the second paragraph of your letter, as superseded by the proposals contained in the telegram from His Majesty's Minister at Tehran, No. 772 of the 6th November last, communicated to you in Sir F. Campbell's letter of the 16th November, which, as you will have observed, are, in the opinion of Sir G. Barclay himself, and also in that of His Majesty's consul-general at Bushire, and of the local representative of the Indo-European Telegraph Department, less open to objection than Mr. Bill's project.

[1704]

The annual cost of working the later scheme is calculated at about 15,000*l.*, and the figures in Sir E. Grey's possession show, as already stated, that the imposition of a surtax of 10 per cent. at Bushire alone would not produce a sum sufficient to defray this expense.

In this connection I am to refer you to the letter of the 13th October last from this Office, enclosing copy of a despatch from Sir G. Barclay, which gives a comparative statement of the customs receipts from the Southern Persian ports for the financial years 1907-8 and 1908-9, and for the first six months of the financial year 1909-10 (the 21st March-21st September, 1909).

It will be seen that for the financial year 1908-9 the total customs receipts from all these ports amounted to 8,231,563·55 krans (about 164,631*l.*) and those from Bushire alone to 5,094,019·85 krans (about 101,880*l.*). If these figures be taken as the basis of calculation, the surtax on the customs at all the ports would suffice to meet the estimated cost of the scheme of protection, while that at Bushire alone would not.

The figures for the first six months of 1909-10, however, show a considerable decrease from those realised in former years, and if they are used as a basis not even the yield of the surtax at all the ports would meet the object with which it is proposed to impose it.

It would not, in Sir E. Grey's opinion, be safe to assume that, in the continued absence of any system of protection for trade, this decrease will be checked, and it is indeed more likely to be increased. If, however, such a system is promptly put in working order, a sufficient degree of improvement may be expected to manifest itself to allow the expense involved to be met by the surtax if applied at all the ports.

I am to state that Sir E. Grey would be glad to be furnished with the statistics which have led to the conclusion reached by the Board on this subject, in order that it may be possible to explain the discrepancy between them and the figures in his own possession.

I am, &c.
LOUIS MALLET.

[5842] No. 273.

Foreign Office to Anglo-Persian Oil Company.

Sir,
WITH reference to my letter of the 30th August last, relative to the Persian Imperial commissionership for the oil concession, I am directed by Secretary Sir Edward Grey to inform you that he has received a despatch from His Majesty's Minister at Tehran reporting that he has now received an official reply from the Persian Government to his repeated enquiries as to who is the holder of that office.

The Persian Minister for Foreign Affairs has informed Sir G. Barclay in writing that Sadig-es-Sultaneh continues to be commissioner.

I am, &c.
LOUIS MALLET.

[6642] No. 274.

India Office to Foreign Office.—(Received February 25.)

Sir,
WITH reference to your letter dated the 19th February, 1910, regarding the proposed joint advance by the British and Russian Governments of a sum of 400,000*l.* to the Persian Government, I am directed by the Secretary of State for India to inform you that, in accordance with your request, instructions have now been given for the sum of 100,000*l.*, representing a moiety of the British share of the advance, to be retransferred to the Imperial Bank of Persia.

I am, however, at the same time to explain that, before issuing these instructions, the attention of Viscount Morley was forcibly drawn to the fact that no adjustment has yet been finally agreed upon between the British and Indian Governments in respect of the advance of 300,000*l.* that was made in two instalments to the Persian Government

by the Government of India in 1903 and 1904.* I am directed to call the earnest attention of the Secretary of State for Foreign Affairs to the letters of this Office dated the 11th February, 1908 (which, after the lapse of two years, still remains unanswered) and the 16th June last, proposing a procedure by which such adjustment might be regulated, and I am to express the hope that reply may be made to them with as little further delay as possible, with a view to terminating the present anomalous position, in which the Indian Government are pressed to make a further advance, while the Lords Commissioners of the Treasury make no effort to discharge their liabilities.

I am, &c.
R. RITCHIE.

[6667]

No. 275.

Imperial Bank of Persia to Foreign Office.—(Received February 25.)

25, Abchurch Lane, London,
February 24, 1910.

Sir,
I HAVE the honour to acknowledge the receipt of your letter, dated the 19th February, marked Secret, which was submitted to the board of directors of the bank at their meeting yesterday, and my directors request me to convey to the Secretary of State their thanks for the information given in your letter, which has been noted with interest.

I am desired to inform you that on receipt of the sums of money mentioned your instructions will be immediately carried out.

I am, &c.
G. NEWELL,
Manager.

[7148]

No. 276.

Papers communicated by Sir T. Jackson and Sir G. Mackenzie February 25, 1910.

(1.)

Extract from Confidential Letter from the Imperial Bank of Persia, Tehran, to the Imperial Bank of Persia, London, dated December 22, 1909.

I AM glad to say that we have obtained our contract without having to ask for the intervention of the legation. Permission has at last been given for the coinage of 20,000,000 miscalis of silver, half of which (about 160,000*l.*) being allotted to us; deliveries of 10,000 taels per diem have been arranged for—half the daily outturn of the mint—so I think we can say, in this instance, that the Persian Government has treated us well. As soon as the present 20,000,000 miscalis has been coined, which should take place about four months, the Persian Government has the intention to discontinue granting mint contracts to the public, and will in future undertake the importation of silver for its own account. It is generally admitted that the mint must continue to work owing to the steady drain of coin to which this country is peculiarly subjected; forming as it does the supply centre of silver currency for the Mussulman population of Transcaspia and Central Asia.

I should like to have the Board's views upon a proposal made to us by a member of the Finance Committee, that the bank should act as agents for the Persian Government in this matter, viz., to buy reasonable parcels of silver for account of the Persian Government to supply the mint, the exchange for its purchases being bought from us on credit, the rate for silver and exchange being fixed simultaneously, thus the Persian Government would have their operation covered, and our sale of sterling would be no greater risk in exchange than we accept at present in the ordinary way of business. All charges for freight, insurance, brokerage, out of pocket expenses, and our commission to be paid by the Persian Government. The silver would be consigned to us and be under our control until the sterling paid out in London had been refunded to us in equivalent silver coined by the mint. It would mean a floating advance of say 50,000*l.* to the Persian Government at say 12 per cent. or 9 per cent. per annum secured by silver in our hands.

It is estimated that 1,000,000*l.* of silver passes through the mint during the course of the year, it working at the rate of 100,000 tomans per week, the present output being as much as 120,000 tomans per week; this, however, would be controlled by the price of silver and the cover obtainable for our sales of sterling to the Persian Government.

The proposal is advantageous both to us and the Persian Government and is far reaching and important; it is a commercial transaction of a simple nature, and we are provided with ample cover for our advance.

Having the exclusive outturn from the mint flowing regularly into our treasury constitutes for us the control of the money market and a recuperative source for our note reserve.

The stoppage of indiscriminate importation of silver by the public for minting purposes would tend to keep exchange on a steady level and permit us, with the command of money judiciously wielded, to cover our sales to the Persian Government upon a quiet and even market; the competition for exchange on the part of importers of silver—our chief competitors—would become a negligible quantity.

There is the large and increasing trade on the southern shores of the Caspian and in Baku to finance, which is only possible by consignments of actual coin from Tehran; I give you the figures for the month of November obtained from the post office representing cash sent from here by post, including the sum sent by the bank of 236,000 tomans, by the public 237,000 tomans, and not including our caravans of 220,000 tomans to Meshed and Tabreez; this illustrates the large demand for coin at the tail end of the season. It must be remembered that practically the whole of the Resht silk trade is financed by remittances of coin from Tehran, which shows the immense advantage to us of having command of coin from the mint.

Although under this arrangement we should no longer be importers of silver on our own account, we are inclined to think that the additional business that would accrue to us fully compensates for the loss of profit on silver and consolidates our position as a dominating factor in the trade and finance of the country.

I have no hesitation in recommending the proposal for the favourable consideration of the Board; there is a possible objection to making advances to the mint, but in the event of contingencies we have a lien upon the silver which would cover all possible risk in this respect, and in that case leave the profit upon its importation in our hands.

(2.)

Translation of Telegram received from Imperial Bank of Persia, Tehran, February 24, 1910.

Subject to your approval, we have a draft agreement with the mint (referred to in our private letter of the 22nd December) ready. Terms of agreement are for one year, amount is 6,000,000 tomans; $\frac{1}{4}$ per cent. commission and 9 per cent. interest. Persian Government bind themselves to import bar silver exclusively through us and to buy exchange on London exclusively from us at $\frac{3}{4}$ per cent. above our buying rate. Persian Government undertake not to grant mint contract to any other party; the hypothecation of the bar silver in transit and at mint will be the security for our advance; bank will allow Persian Government the approximate profit on the silver as minted; all charges to be for their account.

Persian Government anxious we should redeem jewels pledged with Banque d'Escompte de Perse for 1,600,000 krans and accrued interest 300,000 krans, and take over the advance for one year at 9 per cent. interest, making 1,900,000 krans, with a view to ultimate sale through us. Do you approve?

Persian Government are favourably disposed to Imperial Bank of Persia; the interest received from the 20th September to the present date is 1,900,000 krans, and we have every hope to receive more favourable consideration in the future.

If you can agree to the above proposal we think it is unlikely Persian Government will take joint advance 400,000*l.*

(3.)

Translation of Special Telegram dispatched to Tehran February 24, 1910.

In reply to your telegram of to-day, we approve fully proposal mint, and we are prepared to carry out details. We presume that you have submitted full proposition to legation and have their approval.

Jewels: In consideration of present large outstanding advances in Persia further increase undesirable.

Referring to your confidential letter of the 2nd February, Government debt, consider suggestion for unification highly satisfactory.

[6486]

No. 277.

Foreign Office to Mr. Greenway.

Sir,

WITH reference to your intimation, made at this Office on the 22nd instant, of the desire of your company to place a launch and barges on the Upper Karun for the transport of material for use in their oil fields, I am directed by Secretary Sir Edward Grey to inform you that he addressed a telegram to His Majesty's Minister at Tehran, enquiring whether he anticipated objection on the part of the Persian Government to the execution of the project.

Sir E. Grey has now received a telegram from Sir G. Barclay, observing that the articles in the concession on which the company propose to base their demand appear to be irrelevant to the point at issue, and that he anticipates strong objection to it on the part of the Persian Government.

I am to point out that, by a circular dated the 30th October, 1888, the Persian Government, while announcing the opening of the Karun to the commerce of all nations from Mohammerah to the dyke of Ahwaz, imposed the condition that foreign vessels should not pass the latter point upwards, since the navigation of the river from there was reserved to themselves and their subjects.

A concession for the monopoly of this navigation was sold by the Persian Government to the Nasiri Company, which makes it practically the property of Moin-ut-Tujjar, an influential merchant of Bushire.

I am to state that, in these circumstances, it would, in Sir E. Grey's opinion, be advisable to refrain for the present from placing any vessels on the Upper Karun.

Sir G. Barclay will, in the meantime, apply for the necessary permission to the Persian Government.

I am, &c.
LOUIS MALLET.

[6846]

No. 278.

Zelle Sultan to Sir Edward Grey.—(Received February 26.)

Sir,

117, Promenade des Anglais, Nice, February 23, 1910.
I HAVE the honour to acknowledge the receipt of your letter of the 14th February, for which many thanks. I fully recognise the great mistake I made in returning to Persia contrary to the advices of His Britannic Majesty's and Russian Governments, and, as you know, had to pay 100,000 tomans for this act; but the promissory note for the 200,000 tomans, of course, as everybody knows, was taken by force, and in that moment had they (the rebels) demanded all my estates, I should have been obliged to yield; but I must let you know that these villages in question belong to my sons, which I gave them three years ago before leaving for Europe, and they live on the revenue accrued therefrom, and as these villages are in Ispahan, and they know well about the matter, "Anjuman, Ispahan," has telegraphed to the Persian Parliament and Ministers, and, according to their telegram (which enclosed I send you the copy^o), they admit my rights.

* Not printed.

[1704]

2 T

I am in communication with the Persian Government, and as Sir Francis Bertie wrote to me, the unofficial intervention of His Majesty's Minister in Tehran will help me to bring the matter to a satisfactory conclusion, if he goes on as said.

But what I ask from His Majesty's Government is the same protection as accorded me last year before leaving Persia, and whilst I was at Resht the last September the Russian Minister, on his way to Tehran, told my son Prince Bahram that, once back in Europe, I should again be under the protection of British and Russian Governments. I am again in Europe, and, having a large family and important estates, it is impossible to live in such a state of suspense. My brother Naibe Saltaneh for the same reasons has taken Russian protection, and my nephew Shoa Saltaneh that of the Turkish Government.

Now I beg you therefore to be good enough to speak with the Russian Government, and accept me again as your joint protégé, and henceforth I hope always to give a willing ear to the advices of the two Governments.

Trusting you will once more come to my assistance and show me the same favour you have showed me in forty years in this time of need, I have, &c.

ZELLE SULTAN.

[6839]

No. 279.

Anglo-Persian Oil Company to Foreign Office.—(Received February 26.)

Winchester House, Old Broad Street, London,
February 25, 1910.

Sir,
I AM obliged for your favour of the 17th instant advising receipt of a despatch from Sir George Barclay reporting that, in urging the Persian Government not to part with their interest in this company, he thought it well to state to the Persian Minister for Foreign Affairs that he expected to be apprised in the case of any future offers which they might receive in order that he might apprise this company, who possess, morally, a preferential right of acquisition; but that he knew that this company were very anxious that the Persian Government should retain their interest in the undertaking.

This exactly defines our views, and I beg to express on behalf of my board our thanks to Sir George Barclay for so clearly placing our case before the Persian Government.

I have, &c.
C. GREENWAY,
Managing Director.

[6878]

No. 279°.

Sir G. Barclay to Sir Edward Grey.—(Received February 26.)

(No. 83.)
(Telegraphic.) P.

Tehran, February 26, 1910.

I HAVE the honour to suggest that enquiry may be made of the directors of the Imperial Bank of Persia as to details of an arrangement which bank proposes to conclude with the Persian Government, under the terms of which the latter constitutes former, for the period of one year, sole agent for the importation into Persia of silver for coinage purposes.

Persian Government would benefit greatly under the proposed agreement, since in addition to the profit of the mint, they would, in future, secure that on the importation of silver. It would, likewise, prove highly remunerative to the Imperial Bank of Persia, for while losing the profit of importation of silver on its own account, bank would give other advantages, among which the better control of the exchange is the most important.

Before the matter is finally concluded, I feel that it is my duty to submit it for your consideration, since Russia might conceivably raise objections to the transaction.

Russian Bank, it should be noted, has never been permitted by its administration to import silver on its own account, therefore the arrangement proposed above, under which Imperial Bank of Persia would forgo its profit on this point, would not entail a similar loss on the former bank.

The transaction would contribute greatly to consolidate predominant position of Imperial Bank of Persia, and I foresee possibility of objections from Russian Government rather on this score than on account of any loss of business.

[10131]

No. 280.

Memorandum respecting Question of a Joint Anglo-Russian Advance to the Persian Government. (August 1907 to February 1910.)

NEGOTIATIONS for a joint Anglo-Russian advance to the Persian Government were carried on during the years 1906-7. The course of these negotiations up to August 1907 has been reviewed in a previous Memorandum. In that month it became clear that they had broken down, mainly owing to the opposition of the National Assembly. Though after this the question remained dormant for a considerable period, it may be well to take up the narrative at this point, dividing our subject into four periods.

Confidential
Paper No. 9143

1. August 1907 to June 1908.

Up to the *coup d'Etat* of the 23rd June, 1908, the situation was dominated by two conflicting forces.

On the one hand, it was clear that the finances of Persia could only be restored by a foreign loan. Such, at least, was the opinion at this time of three of the authorities best qualified to judge. On the 28th October, 1907, Mr. Marling reported "The Treasury is empty; . . . the taxes are being paid with the greatest irregularity." On the 20th January, 1908, Mushir-ed-Dowleh told him that "it was now commonly recognised that a foreign loan was imperative." In March 1908 the Imperial Bank of Persia urged on His Majesty's Government the absolute necessity of an Anglo-Russian loan. The general chaos made any accurate estimate of the financial position of the Persian Government impossible, and it was felt that little could be done until the French Financial Adviser to the Persian Government had been appointed. But a few facts emerged. It was known that the claims of Russia on the customs receipts affected to the service of the Russian loans and advances amounted to 372,800l.* The Imperial Bank estimated the indebtedness of the Government to themselves at 540,853l. 14s. 2d.,[†] and to the Russian Bank at (approximately) 400,000l.[‡]

Mr. Marling,
No. 230,
October 10, 1907.
Mr. Marling,
No. 13,
January 29, 1908.
To Mr. Marling,
No. 27,
Confidential,
March 6, 1908.

Mr. Marling,
No. 114,
May 20, 1908.
M. Rabino to
Imperial Bank of
Persia,
February 8, 1908.

Sir C. Spring-Rice,
No. 175,
August 12, 1907.

Mr. Marling,
No. 24,
February 14, 1908.
Mr. Marling,
No. 37,
February 26, 1908.

On the other hand, it was equally clear that "the Assembly, at present at any rate, was resolved not to allow any new foreign loan to be contracted in Persia." The sanction of the Assembly was necessary under Article 25 of the Fundamental Laws of December 1906. The Ministers were so dependent on the Assembly that "without the permission of the Medjlis they hardly dared order their carriages." It was not till the 26th February that Mr. Marling could report that "even the Assembly has at last come to realise that Persia must seek financial assistance abroad." Even then, distrust of Russia made an application to her distasteful, while under the Russo-Persian Loan Agreement of 1900 Russian consent was necessary before a new loan could be contracted.

There were only two ways out of this dilemma. Either a personal loan might be made to the Shah, or some foreign loan might be contracted on a non-political basis.

As a result of an application from the Shah, the Russian Government proposed the former expedient in October 1907, but His Majesty's Government refused to be a party to any loan not made publicly and not recognised by the Persian Government. They were also of opinion that such assistance given to the Shah "might easily lead to his deposition and assassination." The project ultimately fell through.

M. Poklewski to
Sir C. Hardinge,
October 7, 1907.
To M. Poklewski,
October 15, 1907.
To Sir A. Nicolson,
No. 397,
November 19,
1907.

* Calculated on an exchange of 50 krons to the £.

Sir C. Spring-Rice, No. 182, August 15, 1907.

Mr. Marling, No. 13, January 29, 1908.

Mr. Marling, No. 123, Telegraphic, May 17, 1908.

Mr. Marling, No. 103, April 30, 1908.

Sir F. Lascelles, No. 15, Telegraphic, May 26, 1908.

Sir C. Spring-Rice, No. 196, September 13, 1907.

Mr. Marling, No. 35, February 26, 1908.

Mr. Marling, No. 103, April 30, 1908.

The second expedient was favoured by the German and French Representatives at Tehran, who both wished for some form of international arrangement involving some measure of international control. Baron von Richthofen especially desired to see a "Caisse de la Dette" established in Persia. This scheme was naturally opposed by His Majesty's Government, but some apprehensions were entertained that the projected establishment of a German Bank at Tehran, the tours of Herr Jung and Dr. Grothe in Persia, and the visit of Ehtesham-es-Sultaneh to Berlin were connected with some such project. The idea of a German loan to Persia does not, however, seem to have been very seriously entertained at Berlin. Moreover, in a note dated the 31st August, 1907, His Majesty's Government had stipulated as a condition for their assent to the suspension of the sinking fund on the Anglo-Indian loan of 1903-4 that no foreign loan should be contracted by Persia without their consent, and as no answer was returned to this note, they informed the Persian Government on the 24th February, 1908, that they considered the condition to have been tacitly accepted.

On the 22nd March, 1908, the newly-appointed Financial Adviser to the Persian Government, M. Bizot, arrived in Tehran, and the first step was thus taken towards clearing up the financial situation. A month after his arrival, M. Bizot's appreciation of the position was that "the Persian Government is practically at the end of its resources. . . . The general attitude seemed to be based on the belief that sooner or later a foreign loan would be negotiated, and the first thing to be done would be to satisfy a multitude of pensioners "from its proceeds."

Such was the position when the *coup d'Etat* of the 23rd June converted a penniless constitutional Government into a bankrupt despotism.

2. June 1908 to July 1909.

The *coup d'Etat* did not diminish the difficulties of the situation—it rather added to them. But the difficulties were of a different kind. For the past year the two Powers had had to deal with a Government to which they might have been willing to lend money but which refused to borrow. Now they had to deal with a Government which was only too willing to borrow but to which they did not desire to lend. The question of a loan now took concrete form.

Only a fortnight after the *coup d'Etat* the Finance Minister sounded M. Bizot on the question. Sir G. Barclay having reported the circumstance, His Majesty's Government replied immediately that "so long as the Constitution is suspended" they could not lend money to Persia on the double ground that, in the event of the revival of the Constitution, the Assembly might repudiate such a loan, and that under the personal government of the Shah no confidence could be felt that the money lent would be employed for the good of the country.

These two considerations governed the whole attitude of His Majesty's Government during the negotiations of the next twelve months. Broadly speaking, they acted consistently on the principle that an advance would be forthcoming when, and not until, a Constitution was in working order, and sufficient guarantees were provided for its proper expenditure. Any apparent deviations from consistency are explained by three disturbing factors in the situation, which may be stated as follows:—

In the first place, obviously the most elementary condition for a loan was the certainty that a loan was needed. Nothing reveals more clearly the total disorganisation of the whole machinery of government than the fact that even this certainty was unattainable. On the 24th July M. Bizot was apparently of opinion that "a loan is necessary similar to that contemplated in 1906." But on the 10th September Mr. Marling reported that "M. Bizot

expressed to me confidentially his opinion that financially Persia is by no means in so bad a case as is generally believed; but the efforts which have been made from very different motives by both the Medjlis and reactionaries to prevent him from making any real examination of the situation have been so successful that it would scarcely be just to him to quote his opinion as authoritative." Six weeks later M. Bizot was still so much in the dark that no steps could be taken. On the whole, at this time it would appear that M. Bizot and Mr. Marling were of opinion that a reorganisation of the Finance Department was of far more importance than a loan, and that if a loan was advisable at all it should be utilised for "the conversion of the advances from the Imperial and Russian Banks, which at present bear the high rate of interest of 12 per cent., and the payment of the floating debts of the Government to native bankers." In November Mr. Marling maintained the opinion which he had already expressed in September that "if the finances of the country were reasonably well administered plenty of money would be forthcoming." In December His Majesty's Government were still waiting until M. Bizot could report, after thorough investigation, that a loan was necessary and desirable. On the 20th January Sir G. Barclay was instructed that "His Majesty's Government cannot even consider the question of an advance to Persia before M. Bizot's financial report has been received." That report did not come into their hands till the 26th April. Although even then M. Bizot confessed himself unable to fix the amount of the loan which would be needed, he asserted that "la nécessité d'un emprunt n'est pas contestable," and assigned three objects to which it should be effected, viz.:—

- "1. Remboursement des dettes à courte échéance ou exigibles dans les banques.
- "2. Règlement des mandats émis mais non payés, et autres dettes.
- "3. Paiement des dépenses d'organisation des divers services publics."

Sir G. Barclay, basing himself on data supplied by M. Bizot, estimated the amount of the loan required at roughly 2,500,000*l.*, and the total indebtedness of Persia consequently as follows:—

| | <i>£</i> |
|---|-----------|
| Russian Government's loans .. | 3,200,000 |
| British and Indian Government's loan, with arrears of interest .. | 300,000 |
| Required to pay off floating debt, &c. .. | 2,500,000 |
| <hr/> | |
| Total | 6,000,000 |

In other words, the financial position of Persia remained unknown to His Majesty's Government until less than three months before the Shah's deposition.

But secondly, quite apart from the vagueness of the financial situation, another consideration made the advisability of a loan seem doubtful. Could, it was asked, any satisfactory arrangement be arrived at with the Shah's Government? He was surrounded by a hopelessly corrupt camarilla. He himself was untrustworthy. Mr. Marling at least was inclined to recommend that, far from giving assistance to the Shah, his position should be made as difficult as possible—that every source of revenue should be cut off, and that His Majesty's Government should press for the overdue interest on the 1903-4 loan. The Russian Government constantly urged the necessity of an immediate loan, on the ground that delay might lead to the deposition of the Shah; Mr. Marling was rather of opinion that his deposition would "not be a bad solution" of the problem.

On the other hand, there was a third consideration, always present to the minds of all parties, which made in favour of the view that financial assistance should be accorded to the Shah's Government, namely, the possibility that money might be forthcoming from other quarters. As a commercial transaction, this would of course have been out of the question. In August 1908 both banks at Tehran had refused absolutely all accommodation, even on the security of the customs. But it was on the cards that, for political ends, "a Government interested in obtaining the right to interfere in Persian affairs" might not be averse to securing repayment of sums advanced as a speculation by some minor banking-house or syndicate.

Mr. Marling, No. 251, Confidential, September 10, 1908.

Sir G. Barclay, No. 285, October 22, 1908.

Mr. Marling, No. 251, Confidential, September 10, 1908.

Mr. Marling, November 18, 1908.

To Sir A. Nicolson, No. 672, Telegraphic, December 23, 1908.

To Sir G. Barclay, No. 26, Telegraphic, January 20, 1909.

Sir G. Barclay, No. 74, April 8, 1909.

Mr. Marling, No. 253, September 10, 1908.

Mr. Marling, November 18, 1908.

Mr. Marling, No. 193, August 1, 1908.

Mr. Marling, No. 243, Telegraphic, July 24, 1908.

Mr. Marling,
No. 263,
September 29,
1908.
Sir A. Nicolson,
No. 604,
December 22,
1908.
Sir A. Nicolson,
No. 8,
Telegraphic,
January 5, 1909.
Sir E. Goschen,
No. 127,
April 8, 1909.

It was on this ground that Mr. Marling suggested an Anglo-Russian advance in August. Again in September he expressed the fear that "the Shah's present reckless advisers might induce His Majesty to turn elsewhere, e.g., to Germany, and obtain accommodation on extortionate terms." In December M. de Hartwig confessed to Sir A. Nicolson that this consideration weighed with him, and at the beginning of January, when Ala-ul-Mulk visited Berlin, M. Isvolsky feared that he had gone in the hope of raising money. These suspicions were indignantly denied in April 1909 by the "Süddeutsche Reichskorrespondenz" in an inspired article.

Bearing in mind what has been said above, we may now follow the course of negotiations in chronological order.

After the first tentative advances of the Persian Government on the 7th July, 1908, and the reply of His Majesty's Government, as noticed above, M. Bizot, in two interviews on the 26th and 27th July, laid his first sketch of the financial needs of the country before the Russian and British Representatives. Those needs were three in number:—

1. Reorganisation of Ministry of Finance.
2. A Budget to be drawn up.
3. A Committee of Control to be formed, officered by Europeans already in the service of the Persian Government.

Following on these interviews, Mr. Marling proposed a joint advance under stringent guarantees.

On the 6th August a second application for money was made to M. Bizot by the Persian Ministers at Bagh-i-Shah, but no statement of needs was forthcoming except a bogus estimate amounting to 2,000,000 tomans, nine-tenths of which were obviously destined for the pocket of Amir Bahadur Jang. At this point the Russian Government appear on the scene.

It may be doubted whether the authorities at St. Petersburg had studied very closely the actual financial position of Persia. At any rate, they appeared to have no doubt that a loan was necessary, and very little that it was advisable to make it at once. On the 18th August M. Isvolsky presented a Memorandum to Sir A. Nicolson, stating that the question of Persian railways was intimately connected with a Persian loan, the necessity for which they took for granted. On the 10th September, as has already been noticed, Mr. Marling threw doubt on this necessity, and his despatch was transmitted to Sir A. Nicolson, in order that the point of view might be presented to the Russian Government.

Meanwhile, however, His Majesty's Government had instructed Mr. Marling that they were prepared to adopt the proposals of 1906 for a joint loan of 400,000*l.* "as soon as M. Bizot is in a position to make the necessary application." To such a loan two conditions would be indispensable:—

"1. The loan shall not be employed for the suppression of the Constitution, but advanced in such a manner as will allow of its being used as a lever for supporting it. (This might be effected by a stipulation that the loan is for a short period only, before the expiration of which the Assembly must be convoked for the purpose of ratifying or repaying it).
"2. Expenditure of loan must be controlled by sufficient guarantees."

But if M. Bizot was ever to be "in a position to make the necessary application" some facts at least were necessary. The rest of the year was spent in Tehran in a vain attempt to obtain them.

For the third time, on the 29th September, M. Bizot was pressed by the Persian Government to find money, but the "money" still remained an

Mr. Marling,
No. 193,
August 1, 1908.

Mr. Marling,
No. 207,
August 12, 1908.

Sir A. Nicolson,
No. 316, Secret,
August 18, 1908.

Mr. Marling,
No. 251,
Confidential,
September 10,
1908.

To Mr. Marling,
No. 244,
Telegraphic,
September 5, 1908.

Mr. Marling,
No. 263,
September 29,
1908.

unknown quantity. On the 21st October Mushir-ed-Dowleh returned to Sir G. Barclay, No. 285, December 22, 1908. Sir G. Barclay, No. 440, Telegraphic, December 17, 1908.

But the year was not to close without some definite exchange of views between Great Britain and Russia. On the 23rd December His Majesty's Government informed Sir A. Nicolson that if the question was raised again by the Persian Government they would be prepared to consider whether they should not join with Russia in guaranteeing the interest on a sufficiently secured loan, on three conditions:—

1. M. Bizot to be satisfied that the loan was necessary.
2. Satisfactory guarantees to be given.
3. Constitution to be in working order.

To Sir A. Nicolson,
No. 672,
Telegraphic,
December 23,
1908.

But they added that they would prefer not to advance at all, even under a constitutional régime, if M. Bizot considered such a course feasible. On the 26th December an *aide-mémoire* in this sense was communicated to M. Isvolsky.

Sir A. Nicolson,
No. 613,
December 28,
1908.

This communication hardly fell on favourable ground at St. Petersburg. Already on the 21st December M. de Hartwig, who had been summoned home to consult with M. Isvolsky, had informed Sir A. Nicolson that in his opinion the advance might be made conditional, not on the establishment of a Constitution, but on steps being taken towards it. On all hands it was agreed that the financial question was immediate and should not be allowed to wait until the convocation of the Assembly. This was apparently the opinion of M. Isvolsky, of the new Persian Minister, Isaak Khan, of the Persian Special Envoy, Ala-ul-Mulk, and of M. de Hartwig. His Majesty's Government remained absolutely opposed to such a view; they maintained that "to give the Shah money would in the present circumstances be worse than futile, and would amount to intervention in Persia's internal affairs."

Sir A. Nicolson,
No. 309,
Telegraphic,
December 21,
1908.

Sir A. Nicolson,
No. 604,
December 22;
No. 605,
December 25;
No. 613,
December 28,
1908.

To Sir A. Nicolson,
No. 38,
Telegraphic,
January 13, 1909.

On the 17th January M. Isvolsky embodied his views in a Memorandum. Discussion followed, and on the 8th April the text of the advice to be tendered by the two Governments to the Shah was finally agreed upon and drawn up by the Russian Government. Since the course of negotiations between these two dates has been fully described in Sir A. Nicolson's Annual Report for 1909,* it will perhaps be sufficient to give the final text in full, making at the same time a few comments upon it.

The communication to be made to the Shah runs as follows:—

"1. Les Gouvernements de Russie et de la Grande-Bretagne exigeront de suite du Schah la démission du Sadr-Azam ainsi que celle de l'Emir Bahadour-Djeng; la démission de ce dernier se rapportera à toutes les fonctions qu'il exerce tant dans le Cabinet des Ministres qu'au Palais. Toutefois, si le Schah s'oppose d'une façon particulièrement opiniâtre à ce que ce fonctionnaire soit éloigné du Palais, les deux Gouvernements n'insisteront pas sur ce dernier point.

"2. La Russie et l'Angleterre obtiendront du Schah le rétablissement du régime constitutionnel en Perse au moyen de l'introduction immédiate des réformes énumérées dans les §§ suivants.

"3. Les deux Gouvernements exigeront du Schah la constitution d'un Cabinet composé de personnes dignes de confiance et l'adjonction sans retard au Conseil de l'Empire de personnalités éclairées appartenant à divers partis, lequel Conseil serait chargé d'élaborer et de promulguer une nouvelle loi électorale. Les Légations de Russie et d'Angleterre à Téhéran soumettront au Schah, d'une façon privée, une liste des candidats les plus appropriés à faire partie du Cabinet et du Conseil de l'Empire; il est bien entendu que si

Sir A. Nicolson,
No. 232,
April 8, 1909.

le choix du Schah tombe sur des personnes n'inspirant pas la confiance nécessaire aucune avance d'argent ne sera faite à la Perse.

"4. Les deux Gouvernements exigeront du Schah une amnistie générale pour tous ceux qui ont pris les armes contre lui et se sont rendus coupables de crimes politiques ; il va de soi que cette mesure ne s'étendra pas à ceux des révolutionnaires qui ont commis en outre des crimes de droit commun. Quant aux individus convaincus de brigandage et à d'autres malfaiteurs qui auraient commis des crimes de droit commun en abusant du mouvement constitutionnel, le Gouvernement du Schah sera tenu de donner des garanties de ce qu'aucune peine ne leur sera infligée autrement que par jugement d'un Tribunal impartial, ainsi que cela a été fait en son temps par rapport aux personnes qui avaient pris best dans la Légation d'Angleterre à Téhéran.

"5. La Russie et l'Angleterre exigeront en outre la fixation immédiate de la date des élections parlementaires, ainsi que de celle de la convocation du Medjiss. Ces dates devront être portées sans retard à la connaissance du pays entier.

"6. Le Gouvernement russe pourra, s'il le juge nécessaire, avancer au Gouvernement persan, aussitôt que les mesures préparatoires énumérées aux §§ 1 à 5 du programme auront été prises par le Schah, une somme de 2,500,000 fr., destinée à subvenir aux dépenses immédiates nécessitées par l'introduction des réformes. De son côté, le Gouvernement britannique, s'il le juge nécessaire, pourra faire au Gouvernement du Schah une avance du même montant aussitôt que l'Assemblée électorale aura adopté [cet emprunt].* [The only means of facilitating a larger loan to the Persian Government, if such should subsequently be found to be necessary, would be to do so under certain guarantees to be discussed by the Persian Government on the one side, and the British and Russian Governments on the other, at some later date.*] L'appui pour la conclusion d'un emprunt extérieur ne pourra être donné au Gouvernement persan qu'à la condition qu'une Commission spéciale composée des Directeurs des Banques russes et anglaises à Téhéran et de Délégués persans soit instituée, laquelle Commission—

"(a.) Contrôlerait le déboursement des ressources de l'État et veillerait à ce que ces ressources soient affectées exclusivement aux besoins du pays ;

"(b.) Surveillerait l'ordre d'élaboration des devis des assignations annuelles pour toutes les branches de l'Administration, ainsi que le mode d'application de ces devis, en conformité avec le Budget qui serait dressé par le Ministère des Finances persan avec l'aide de la Commission ; et

"(c.) Assisterait le Ministère des Finances du Schah dans la révision et la régularisation des lois sur le maliat."

With regard to Article 1 of the above programme, His Majesty's Government was inclined to insist far more firmly than Russia on the absolute necessity of the dismissal of the Shah's reactionary advisers. The reasons for this attitude have already been noticed. The final form of the article gave effect to our demands.

With regard to Article 3, His Majesty's Government, always anxious to abstain from intervention in the internal affairs of Persia, were inclined to object to any recommendation by the Legations as to what men the Shah should employ in the Cabinet and the Council of the Empire. They, however, dropped their objection on the advice of Sir G. Barclay, who thought that "to let the Shah know whom he should appoint is only giving him a fair chance," and his suggestion that the names should be submitted privately was adopted. On the same principle the two Legations made very strong representations in April against the dismissal of Saad-ed-Dowleh.

It was, however, with regard to Article 6 that there existed the strongest difference of opinion between the two Governments.

His Majesty's Government refused steadily to grant any loan before the establishment of constitutional government, on precisely the same two grounds as they had advanced in July 1908. In February both Tabreez and Ispahan declared that no loan would be recognized unless approved by the Assembly. On the 13th February we drew the attention of the Russian Government to the danger thus indicated. We also, on the same ground, objected to the proposed arrangement between the Russian Government and the Imperial and Russian Banks with regard to Amin-es-Zarb's debts.

Sir G. Barclay,
No. 174,
Telegraphic,
March 21, 1909.

Sir G. Barclay,
No. 75,
Telegraphic,
February 4, 1909.

To Sir A. Nicolson,
No. 185,
Telegraphic,
February 13,
1909.

Sir G. Barclay,
No. 79,
Telegraphic,
February 5, 1909.

To Sir A. Nicolson,
No. 538,
Telegraphic,
April 17, 1909.

* Modifications of original Russian draft telegraphed to Sir A. Nicolson by His Majesty's Government, and accepted by Russian Government.

Moreover, the Commission of Control contemplated in this article—i.e., the directors of the two banks and some Persian delegates—did not meet the views either of the Financial Adviser or Sir G. Barclay. The latter called it an "abnormal form of control" and a "temporary expedient." His Majesty's Government objected to the Commission on the ground that the Powers would be assuming direct responsibility for the internal affairs of Persia—a thing objectionable in itself, but doubly objectionable when the chief position in the Commission was filled by the managers of the banks, whose business was not politics but the making of money. They were therefore in favour of postponing the question of control altogether for the moment.

On the whole, it appeared to Sir G. Barclay the lesser of two evils to drop our objections to an immediate joint advance provided that such an advance was placed to the account of the two Legations, and paid out in instalments as they might think fit. This scheme was approved by His Majesty's Government in the event of any joint advance being made, and it was suggested by M. Bizot that the two Representatives should be instructed to act on his advice, although his official position made it impossible for him to be associated with them formally.

Sir G. Barclay,
No. 259,
Telegraphic,
April 13;
No. 278,
Telegraphic,
April 18, 1909.
To Sir A. Nicolson,
No. 486,
Telegraphic,
April 12, 1909.

Sir G. Barclay,
No. 117,
Telegraphic,
February 24;
No. 119,
Telegraphic,
February 25
No. 172,
Telegraphic
March 20;
No. 278,
Telegraphic,
April 18, 1909.

To Sir A. Nicolson
No. 328,
Telegraphic,
March 17, 1909.
Sir G. Barclay,
No. 55,
March 22, 1909.

Sir G. Barclay,
No. 93,
May 11, 1909.

Eventually, however, it was decided that it would be better to allow Russia to make her share of the advance at once if she wished, and to reserve Great Britain's share until the Constitution was in working order. Sir G. Barclay considered that "of the possible developments of the Anglo-Russian proposals, it would be almost the worst that the Russian Government should separate itself from us in the matter of financial assistance." Nevertheless this was the arrangement eventually made.

The Legations having on the 22nd April presented the advice of the two Powers to the Shah, and on the 7th May submitted the names of suitable men for the Cabinet and the Council of the Empire, and rescripts having been issued on the 9th May for the elaboration of an electoral law and for a general amnesty, Russia proceeded to make arrangements for her advance. It was to amount to 100,000l., and was to be secured on Persian customs other than those of Fars and the Gulf. A Committee was appointed including the Financial Adviser to control expenditure; the Russian Legation was to signify approval of each item of expenditure, but the advance was not to be made in instalments.

His Majesty's Government proposed that this advance should be placed to the joint account of the two Legations, according to the suggestion already mentioned, but both M. Isvolsky and M. Kokovtsoff were opposed to such a scheme, on the ground that if Great Britain considered the advance an interference in internal affairs she could hardly logically associate herself with the control of its expenditure.

It may be remarked in parenthesis that, in spite of Russia's eagerness to make an immediate advance, opinion in the Russian Cabinet appears to have been divided on the subject, at any rate as late as the 14th March. This difficulty will be found to recur in later negotiations.

On the 1st June Sir G. Barclay reported that a draft Loan Agreement had been submitted to and approved by the Russian Government. Under this Agreement the system of control was to be as follows:—

Sir A. Nicolson,
No. 143,
Telegraphic,
March 14, 1909.

Sir G. Barclay,
No. 431,
Telegraphic,
June 1; No. 129,
June 18, 1909.

"1. La somme [2,500,000 fr.] . . . sera dépensée d'après un programme qui sera établi entre la Légation de Russie et le Gouvernement persan.

"2. Chaque mandat devra être ordonné par le Ministre responsable du département intéressé et revêtu du 'vu bon à payer' du Ministre des Finances.

"3. Un caissier-comptable, désigné d'accord entre le Gouvernement persan et la Légation de Russie, sera chargé du paiement des dépenses imputées sur la dite somme.

"4. Le Conseil des Ministres devra rendre compte au Parlement de l'emploi de cette somme."

Further proceedings were interrupted by the Nationalist advance on Tehran. On the 16th July the Shah took bast in the Russian Legation.

3. July 1909 to December 13, 1909.

Sir G. Barclay,
No. 627,
Telegraphic,
July 25, 1909.
Sir G. Barclay,
No. 688,
Telegraphic,
August 24, 1909.
To Sir G. Barclay,
No. 407,
Telegraphic,
July 30, 1909.
Mr. O'Beirne,
No. 423,
Telegraphic,
August 26;
No. 428,
Telegraphic,
September 1;
No. 435,
Telegraphic,
September 3, 1909.
Sir G. Barclay,
No. 714,
Telegraphic,
September 4;
No. 716,
Telegraphic,
September 5;
No. 710,
Telegraphic,
September 1;
No. 711,
Telegraphic,
September 1, 1909.

Mr. O'Beirne,
No. 432,
Telegraphic,
September 2, 1909.
To Mr. O'Beirne,
No. 1292,
Telegraphic,
September 4, 1909.

Sir G. Barclay,
No. 719,
Telegraphic,
September 7, 1909.

Sir G. Barclay,
No. 765,
Telegraphic,
November 3, 1909.
To Sir A. Nicolson,
No. 1324,
Telegraphic,
November 4, 1909.

Sir G. Barclay,
No. 785,
Telegraphic,
November 19,
1909.

Sir G. Barclay,
No. 778,
Telegraphic,
November 15,
1909.

After the revolution, the Nationalist Committee apparently at first intended to convoke the Medjliss in four or five weeks, and to carry on the finances until that time by means of loans from native merchants and forced contributions. The convocation of the Medjliss was, however, delayed, and towards the end of August application was made to the Imperial Bank for an advance of 100,000*l.* The attitude of His Majesty's Government towards this application was threefold; they recognised the necessity for a loan and were prepared to accept the guarantee of the Persian Government; but they did not wish to advise the Imperial Bank on the subject, nor did they feel able to encourage an advance not participated in by both banks. They, however, found that the Russian Government, and particularly M. Kokovtsoff, were opposed to any advance from the banks, mainly owing to the anti-Russian feeling in Persia. It was uncertain if the Persian Government would even apply to the Russian Bank; it was even uncertain if the Cabinet, and especially the Sipahdar, would not refuse to associate themselves with the application which had proceeded from the Nationalist Committee. Finally it appeared that the Persian Government fought shy of any system of control whatever; and His Majesty's Government agreed with the Russian Government that under these conditions it was impossible to pursue the question further.

At the beginning of September the Persian Government again applied to the Imperial Bank for a temporary advance of 100,000 tomans secured on the Crown jewels. His Majesty's Government regarded this as a commercial transaction, upon which the bank must decide for itself, but which they were quite prepared to sanction. They approached the Russian Government with a suggestion that a joint advance should be made by the two banks on the security offered. After some hesitation, the Russian Government assented, and on the 18th November the two banks offered a joint advance of 400,000 tomans to the Persian Government. But whereas the Imperial Bank merely attached to the advance three purely financial conditions, namely (a) that the profits of the Mint should be hypothecated for the prompt repayment of money misappropriated by the late Mint-Master; (b) that a contract should be concluded for the supply of silver to the Mint; and (c) that the customs receipts of Mohammerah should, in addition to those of Bushire, be assigned for the payment of interest on the Government debt, the Russian Bank made their advance subject to the assent of the Russian Minister, who, in turn, made that assent conditional, not only on the opening of negotiations for the consolidation of the Government debt to the bank, but also on three other semi-political concessions, namely, (a) free admission of motor vehicles for the exploitation of the Tehran-Resht road; (b) a concession for a copper mine in Karadagh; and (c) an undertaking not to object to the transfer of Imam Kuli's concession for the navigation of Lake Urumia to Russian subjects. It is probable that these conditions would in any case have wrecked the negotiations; but meanwhile the Medjliss had met on the 15th November and were already busying themselves with

the question of an application to the British and Russian Governments. In view of this, the negotiations were allowed to die a natural death. On the 13th December the Persian Minister for Foreign Affairs and Minister of Finance visited the two Legations and applied for an advance of 500,000*l.*

4. December 13, 1909, to February 26, 1910.

His Majesty's Government had already enquired the views of the Russian Government in prospect of such an application. On the 16th February, 1910, the two Legations at Tehran presented a joint note offering an advance of 400,000*l.* on certain conditions. We have to follow the course of negotiations between these two dates.

In face of the application of the Persian Government, three questions had to be decided: First, should money be lent at all? second, how much money should be lent? third, under what conditions should the money be lent? We will take these three questions in order.

1. There was really no doubt as to the Persian Government's urgent need for money. The Persian Minister for Foreign Affairs declared "in the most impressive manner" on the 24th January that without an advance the Cabinet would have to resign. Nasr-ul-Mulk repeated these representations on the 3rd February. The Persian Chargé d'Affaires in London stated on the 31st January that if the two Governments could not find money Persia must turn elsewhere. The whole attitude of His Majesty's Government towards the question was summed up by Sir G. Barclay on the 27th December. "The relative tranquillity," he wrote, "which has marked the period since the revolution may last through the winter months, but I look forward to the coming of spring, when the tribes commence their summer migration, with no little apprehension, unless by that time the central Government has gained strength to prevent a recrudescence of disorder, and this it can only do by obtaining funds without delay and using them aright."

It is only necessary to notice the above considerations because at first, at any rate, the Russian Government appeared to be unwilling to make any advance at all. They gave two main reasons, namely: first, the "policy of pinpricks" which the Persian Government was pursuing towards Russia; and second, the unwillingness of M. Kokovtsoff to prejudice the improvement in Russian finances by lending money. By the 18th January, however, Russia had made up her mind to advance at least something, and instructed M. Poklewski to concert conditions with Sir G. Barclay.

The India Office took up somewhat the same attitude, on the ground that the interest of the Indian Empire in strengthening constitutional government in Persia was not evident. Since, however, it had been agreed in May 1909 that a moiety of the loan of 200,000*l.* then contemplated should be furnished out of India revenues, Lord Morley expressed himself "reluctantly obliged" to resume responsibility for that sum.

2. On the second point, *i.e.*, the amount of money to be lent, the Russian Government and the India Office took diametrically opposite views. Lord Morley was not prepared to sanction any further advance from Indian revenues than the 100,000*l.* above mentioned. On the other hand, the Russian Government was of opinion that an advance of 500,000*l.* or 400,000*l.* was little short of useless, and that what was really needed was a large loan of some 3,000,000*l.*, to be utilised for the consolidation or extinction of the floating debt, after which operation about 2,000,000*l.* would remain for the introduction of reforms. These views M. Isvolsky consigned in a letter to Sir A. Nicolson on the 20th December.

Now the necessity for a large loan was not disputed. M. Bizot had affirmed it in his report in April 1909. Sir G. Barclay recognised it; it was certainly necessary to extinguish the floating debt; but he considered that "the question is not urgent in the same way as is the advance." This was the fact on which His Majesty's Government took their stand. The need for money was urgent; a large loan would take time. In answer to M. Isvolsky's

To Sir A. Nicolson,
No. 1352,
Telegraphic,
December 6, 1909.

Sir G. Barclay,
No. 29,
Telegraphic,
January 24, 1910.
Sir G. Barclay,
No. 42,
Telegraphic,
February 3, 1910.
To Sir A. Nicolson,
No. 50,
Telegraphic,
January 31, 1910.
Sir G. Barclay,
No. 221,
December 27,
1909.

Sir A. Nicolson,
No. 504,
Telegraphic,
December 9;
No. 660,
December 14,
1909.
Sir G. Barclay,
No. 22,
Telegraphic,
January 18, 1910.

India Office,
December 11,
1909.

Sir A. Nicolson,
No. 668,
December 21,
1909.

Sir G. Barclay,
No. 4,
Telegraphic,
January 4, 1910.

Sir A. Nicolson,
No. 676,
December 27,
1909.

To Sir A. Nicolson,
No. 1,
Telegraphic,
January 3, 1910.

Sir A. Nicolson,
No. 11,
January 6, 1910.

Sir G. Barclay,
No. 200,
October 27, 1909

Sir G. Barclay,
No. 817,
Telegraphic,
December 24,
1909.

Sir A. Nicolson,
No. 13,
January 6;
No. 23,
January 13, 1910.

Sir G. Barclay,
No. 23,
Telegraphic,
January 18, 1910.
Sir G. Barclay,
No. 17,
Telegraphic,
January 17, 1910.
Sir A. Nicolson,
No. 3,
Telegraphic,
January 2, 1910.

letter of the 20th December, Sir A. Nicolson pointed out to him, in a letter dated the 26th December, that to raise the question of a loan was premature; that it would have to be issued on the London market, an operation involving considerable delay; and that it was extremely doubtful whether, even if it were issued, it would be taken up by the public. Moreover, the disturbances in Fars had assumed such proportions that the choice seemed to His Majesty's Government to lie between immediate financial assistance to Persia and a punitive expedition. The Russian Government, however, adhered to their view in an *aide-mémoire* dated the 5th January. They were willing to advance at once the 100,000*l.* which they had intended to lend to the ex-Shah's Government in the summer, but they could do no more, since a larger advance would involve application to the Duma. A large loan of 3,000,000*l.* to be floated not in Russia but in France, was the solution they desired, as being the only one which would admit of the institution of really effectual financial control, and the imposition of certain important conditions on the Persian Government, such as that of railway concessions. The revenues affected to the service of such a loan would be guaranteed to the creditors of the Persian Government by Great Britain and Russia, and, if necessary, Article 5 of the Anglo-Russian Convention would be put into force for the purposes of the loan.

His Majesty's Government were not, for the moment, prepared to discuss such a project. Not only did it involve delay, not only was the India Office reluctant to participate in any large loan, but it also appeared to be based on an inaccurate idea of the financial position of Persia.

According to Sir G. Barclay's estimate, based on figures supplied by M. Mornard, the total annual charges on the customs revenue amounted to 3,100,000 tomans, or roughly 620,000*l.* This figure exceeded the highest level ever reached by the customs revenue (1907-8) by 100,000 tomans, or roughly 20,000*l.*, and it was 400,000 tomans, or 80,000*l.*, higher than the level reached in 1908-9. If the advances of the Imperial and Russian Banks were converted, and the interest reduced from 12 or 15 per cent. to 5 per cent., the saving thus effected would leave a margin for borrowing on the security of the customs revenues of some 20,000*l.* If, however, those advances were paid off with part of the proceeds of a large loan, the customs revenue could, it was true, bear additional borrowing up to, at the utmost, 2,500,000*l.* But with what result? The advances of the banks amounted to at least 1,800,000*l.* Hence, out of the loan of 2,500,000*l.* only 700,000*l.* would remain for immediate expenses. But presumably the Russian Government would demand a settlement of British and Russian claims, and these amounted to some 300,000*l.* So that there would only remain to Persia for the reorganisation of her administration and the establishment of order the 400,000*l.* which His Majesty's Government proposed to lend her immediately under the form of a joint advance.

In order to meet the views of the Russian Government, three compromises were suggested.

First, the advance might be made in two instalments of 200,000*l.* each. The first instalment, of which Russia expressed herself willing to advance one-half, might be paid at once. On the 6th January this expedient was suggested to M. Isvolsky. On the 13th January he assented on the distinct understanding that the Russian Government could not undertake to find their share of the second instalment. If, however, negotiations for a large loan were opened, it might, he thought, be easier to do so. It was on this understanding that M. Poklewski was instructed on the 18th January to concert conditions with Sir G. Barclay.

But the unsatisfactory nature of such an arrangement was obvious. Sir G. Barclay considered it impossible to attach any conditions to such a small advance except those dealing with the questions of control and financial reorganisation. He therefore recommended waiving the gendarmerie and railway conditions, the former of which seemed little less than vital in view of the condition of the southern roads. On this ground, His Majesty's Government reverted to a suggestion made by M. Isvolsky at the beginning of the year, by which Great Britain was to advance her full quota at once,

leaving Russia to supply the second instalment of her share when she thought fit. For some reason, however, M. Isvolsky appeared unwilling to adopt his own suggestion, now that it had reappeared in a concrete form—possibly because he had always intended that the inequality of the shares should remain a secret, and it had been pointed out to him that this would be difficult, if not impossible, to manage.

To Sir G. Barclay,
No. 15,
Telegraphic,
January 21, 1910.

To Sir A. Nicolson,
No. 33,
Telegraphic,
January 21, 1910.

Sir A. Nicolson,
No. 23,
Telegraphic,
January 23, 1910.

To Sir A. Nicolson,
No. 3,
Telegraphic,
January 5, 1910.

Sir A. Nicolson,
No. 23,
Telegraphic,
January 23, 1910.

Sir G. Barclay,
No. 23,
Telegraphic,
January 18, 1910.

Sir G. Barclay,
No. 31,
Telegraphic,
January 25;
No. 33,
Telegraphic,
January 26, 1910.

At this point, M. Isvolsky proposed a third compromise which eventually led to an arrangement. If, he said, an actual request for an eventual loan were made by the Persian Government, Russia might be able to advance her full 200,000*l.* He therefore urged that an answer should be given to his *aide-mémoire* of the 5th January. The impossibility of obtaining the necessary conditions in the case of an advance of 200,000*l.* was as distasteful to Russia as it was to Great Britain, and M. Poklewski was urging his Government to fall in with the views of His Majesty's Government. In view of this Count Benckendorff communicated a memorandum on the 24th January, offering to join in an advance of 400,000*l.* "à la condition que la Perse demande formellement dès maintenant notre concours pour la conclusion d'un emprunt plus considérable."

Against this Sir G. Barclay urged that to demand such a formal undertaking might wreck the negotiations. There was, in his opinion, little doubt that the Persian Government would apply spontaneously for a loan, since, under Article 13 of the Russo-Persian Loan Contract of 1902, they could not turn elsewhere for money till the Russian loan was paid off.

Eventually, however, the difficulty was overcome. In view of the undoubted necessity for a loan, and in order to make the full advance possible, Sir E. Grey telegraphed on the 27th January his provisional consent to the proposals made by the Russian Government on the 5th January for an eventual loan, guaranteed, if necessary, by the application of Article 5 of the Anglo-Russian Convention. A wearisome delay of some three weeks followed, but on the 12th February the Russian Government finally gave their consent to an immediate joint advance of 400,000*l.*

3. The third point to be settled, namely, what conditions should be attached to the advance, gave rise to much discussion.

His Majesty's Government laid stress throughout on the necessity of reducing such conditions to a minimum. They desired to see no condition imposed over and above those "strictly necessary in order to ensure, as far as possible, the proper employment of the money." Any departure from this policy is explained either by the exceptional importance of the issues involved or by a desire to satisfy the Russian Government.

To begin with, Sir G. Barclay was able to settle the claims of the Imperial Bank of Persia separately from the question of the advance, and the bank withdrew their original suggestion that those claims should be added to the conditions.

On the 2nd December, in anticipation of the application made by the Persian Government eleven days later, Sir G. Barclay suggested four conditions as a basis for negotiation. On the 16th February the two Legations presented six conditions to the Persian Government. The final text of these conditions has, at the time of writing (26th February), not been received, but their substance and wording are fairly well known. It may be well to place these two lists of conditions side by side, and to comment on the modifications and additions introduced into them.

In the following list the precise order of Sir G. Barclay's suggested conditions has, for the sake of clearness, been neglected:—

Sir G. Barclay,
No. 221,
December 27,
1909.

Imperial Bank of
Persia,
December 14 and
December 24,
1909.

Sir G. Barclay,
No. 800,
Telegraphic,
December 2, 1909.
To Treasury,
February 19,
1910.

Sir G. Barclay's suggested Conditions, December 2, 1909.

1. The two Powers to approve the budget of the expenditure of the money advanced, and a Committee, including MM. Bizot and Mornard, to supervise the carrying out of this programme. The budget to be approved only if it includes provisions for—

2. The reorganisation of the financial administration with the aid of five or six French employés.

3. The establishment of an efficient gendarmerie, with European officers as instructors.

4. An undertaking in general terms on subject of railway concessions.

Sir G. Barclay,
No. 221,
December 27,
1909.

Sir G. Barclay,
No. 23,
Telegraphic,
January 18, 1910.

Sir G. Barclay,
No. 31,
Telegraphic,
January 25, 1910.

Sir A. Nicolson,
No. 11,
January 6, 1910.

Conditions as finally presented to the Persian Government, February 16, 1910.

1. The same.

The Committee to be composed of MM. Bizot and Mornard (Financial Adviser and Administrator of the Customs), two members of the Medjliss, and two other Persians under the presidency of the Minister of Finance.

No payment to be made to any Department without the signature of the Minister of Finance, with the approval of the Commission and of the Minister whose Department is concerned.

2. The same.

Seven French officials to be appointed, with executive powers. No part of the advance to be paid until the Persian Government have formally applied to the French Government for the loan of these experts.

3. The same.

The foreign instructors to be engaged as soon as possible, and to be approved before their engagement by the two Powers.

4. Persia to grant no concession for railway lines without previously offering to British and Russian Governments the option of constructing such lines. The British and Russian Governments will not exercise this option in the case of a concession which they are satisfied is to be granted to a Persian subject for construction and exploitation by exclusively Persian capital. The term "Persian capital" to be taken to include a combination of Persian with British or Russian capital.

5. The Persian Government to grant to the Tabreez Road Company the concession for the navigation of Lake Urumia.

6. The repayment of the advance to be a first charge on a subsequent larger loan to be raised by the Persian Government in the open market if His Majesty's Government and Russian Government agree to facilitate this transaction, failing which it must be repaid in ten annual instalments, together with 7 per cent. interest, both principle and interest being secured on the revenues of the customs, with the profits of the Persian mint as a supplementary guarantee.

With regard to the general bearing of the above six conditions, it will be observed that the first and second provide for due control of expenditure, and to some extent this is true of the third also, since one reason for the employment of European officers was in order to ensure the proper payment of the gendarmerie. The third condition embodies the very *raison d'être* of the advance, *i.e.*, the establishment of order. The fourth is justified by the exceptional importance of the railway question. The fifth is, at least to some extent, a concession to Russian demands. The sixth is devoted to arrangements obviously incidental to the conclusion of any loan. We are therefore justified in claiming that these conditions represent a fair minimum of demands.

The whole six conditions were decided as early as the 18th January between Sir G. Barclay and M. Poklewski, though modified in a few points afterwards.

The absolute minimum of demands was contained in conditions Nos. 1, 2, and 6, which were the only ones Sir G. Barclay proposed to exact in the event of the Russian Government only consenting to an advance of 200,000*l*.

To take the conditions separately, No. 1 was the subject of some discussion. The Russian Government desired to include in the Commission the directors of the two banks, and to assign to it the extended powers proposed in their Memorandum of the 8th April, 1909.* His Majesty's

* See p. 168.

Government entertained the same objections to such a plan as they had urged on that occasion. Sir G. Barclay considered that a Commission composed of M. Bizot and M. Mornard and five Persian members would be both more effective and more acceptable to the Persian Government than the Russian proposal. He pointed out that condition No. 2 provided for the exercise of the more permanent functions entrusted to the Russian Commission. Finally, on the 24th January, the Russian Government withdrew their proposal.

Sir G. Barclay,
No. 11,
Telegraphic,
January 10, 1910.

Memorandum
communicated by
Count
Bencendorff,
January 24, 1910.

Sir G. Barclay,
No. 4,
January 23, 1910.

Condition No. 2 embodies the recommendations made by M. Bizot in his report to the Persian Government. M. Bizot considered this stipulation as a *sine quid non* of the joint advance.

Condition No. 3 appears to leave one main point undecided, namely, the nationality of the instructors to be engaged for the gendarmerie. With regard to this question, His Majesty's Government found themselves in a dilemma. They desired to provide British instructors for the road guards in Southern Persia, but the expression of a similar desire on the part of the Russian Government in the case of Northern Persia would very probably wreck the negotiations for the advance. It was therefore decided to waive the question of nationality until the result of the negotiations was known. Now the Russian Government did not contemplate the institution of road guards in Northern Persia, and drew a sharp distinction between road guards and gendarmerie. In the case of this latter force they considered it "unquestionably desirable" that only British and Russian instructors should be employed. In consenting in principle to a joint advance of 400,000*l*. by their Memorandum of the 24th January, they considered it "indispensable" to insist on the same point. Sir G. Barclay, on the other hand, could "see no hope of the Medjliss accepting" such a condition. In the original text of the gendarmerie condition as proposed by the two Ministers at Tehran on the 18th January the foreign instructors were to be engaged "in due course." By this wording Sir G. Barclay hoped to leave the moment for their engagement and consequently the question of their nationality open. Although this wording was dropped in favour of the expression "as soon as possible," it is still expressly intended that the question should remain open for the moment.

The wording of condition No. 4 is that recommended by His Majesty's Government. It may be specially noticed that it leaves the Persian Government no latitude as to what railways are of interest to the two Governments. M. Poklewski suspected that the Khanikin Railway Concession had already been secured by Germans, and hoped to force the Persian Government to divulge the fact. The wording is vague, this being due to a difference of opinion between the India Office and Foreign Office on the subject of general railway policy in Persia. It is above all designed to prevent the formation of fictitious Persian Railway Companies backed by foreign capital.

To Sir G. Barclay,
No. 29,
Telegraphic,
February 15,
1910.

Sir G. Barclay,
No. 23,
Telegraphic,
January 18, 1910.

India Office,
December 23,
1909.

To India Office,
January 19, 1910.

Sir A. Nicolson,
No. 19,
Telegraphic,
January 19, 1910.

Sir G. Barclay,
No. 24,
Telegraphic,
January 19, 1910.

Condition No. 5 was agreed to on the double ground that it might act as a lever for gaining the assent of Russia to the advance, and that there appeared to be real danger of the concession being obtained by a Persian group with German backing.

With regard to condition No. 6, the Persian Government originally offered no security whatever—a proposal which His Majesty's Government considered quite inadmissible. Sir G. Barclay and M. Poklewski proposed on the 18th January that the advance should be secured on the mint profits alone. The Russian *aide-mémoire* of the 12th February, however, suggested that the customs revenue should supply the main security, and this suggestion was adopted. Russia also wished to raise the interest to 8 per cent. from

Sir G. Barclay,
No. 23,
Telegraphic,
January 18, 1910.

Sir A. Nicolson,
No. 85,
February 13,
1910.

Memorandum
communicated by
Count
Benckendorff,
January 24, 1910.
the 6 per cent. originally proposed, and to reduce the term for repayment from ten to five years. The rate was eventually fixed at 7 per cent.

No answer has as yet been returned to these proposals, and it remains doubtful whether Persia will now at length obtain the financial assistance which she so urgently needs.

E. S. C. P.

Foreign Office, February 26, 1910.

[6595] No. 281.

Foreign Office to Admiralty.

(Confidential.)

Sir,
WITH reference to your letter of the 16th instant relative to the relief of the naval Maxim gun detachment at present occupied with the protection of His Majesty's consulate at Shiraz, I am directed by Secretary Sir Edward Grey to transmit to you herewith copies of telegraphic correspondence on the subject exchanged between him and His Majesty's Minister at Tehran.*

It will be observed that, in the circumstances reported, the withdrawal of the detachment appears to Sir G. Barclay to be unwise, and I am accordingly to express the hope that the Lords Commissioners of the Admiralty may see their way to allow it to remain at Shiraz for the present.

I have, &c.
LOUIS MALLET.

[6891] No. 282.

Sir G. Barclay to Sir Edward Grey.—(Received February 27.)

(No. 84.)
(Telegraphic.) P.

Tehran, February 27, 1910.

PLEASE refer to Sir A. Nicolson's telegram No. 61 of the 19th February.
His Majesty's consul at Tabreez reports the arrival, in company of some 900 men, of Yprim and Sardar Bahadur, who commanded the victorious force against Rahim Khan.

[6892] No. 283.

Sir G. Barclay to Sir Edward Grey.—(Received February 27.)

(No. 85.)
(Telegraphic.) P.

Tehran, February 27, 1910.

IN continuation of my telegram No. 81 of the 24th February, I have the honour to transmit the following telegram received from His Majesty's acting consul-general at Bushire:—

"Please refer to my immediately preceding telegram. His Majesty's consul at Mohammerah adds the following to statement previously reported: 'I drew the attention of the sheikh, in addition to communicating to him Minister's telegram, to the fact that Sowlet was not likely to be better than present Minister of Interior if he gained the power, and that the sheikh's own strong position was dependent upon his non-interference in foreign politics. The possibility of intervention in the South of Persia did not seem to disquiet him generally.'

"For the present sheikh of Mohammerah has promised to abstain from all action in the matter.

"So far as I can judge the resentment he feels at the Bakhtiari domination, which

has been increased by recent developments at Behbehan, is shared by his tribesmen. I believe that the sheikh is genuinely in favour of the constitutional minority of the Bakhtiari."

"Deep resentment is undeniably felt in the South against the ascendancy of the Bakhtiari, and trouble will probably result from its continuance."

[7009]

No. 284.

Sir G. Barclay to Sir Edward Grey.—(Received February 28.)

(No. 18.)
Sir,

Tehran, February 8, 1910.
IN my despatch No. 125 of the 17th June, 1909, I forwarded a convention signed by the Minister for Foreign Affairs and by me for the improvement of the Arabistan telegraph lines and their control by the Indo-European Telegraph Department, and for the renewal of the Telegraph Agreements of 1868, 1872, and 1901.

It will be remembered that this convention was not to come into operation until it had been ratified by the Medjliiss. It is shortly to be submitted to the Medjliiss, and Mr. Barker has thought it well to prepare for the contingency of refusal to ratify it. He has, therefore, submitted to Mr. Kirk an alternative draft convention dealing only with the Arabistan lines, and making no mention of the renewal of the other concessions, which is the part of the signed convention most likely to prove unpalatable to the Medjliiss. I enclose a copy of the new draft, together with a summary statement of how the provision proposed for that cost of construction and maintenance would work out in practice, according to Mr. Barker's estimate.

I trust that the contingency of having to negotiate a new convention will not arise, but should it do so, it is well to have an alternative ready in order to avoid delay. Mr. Barker's draft appears to meet the case, and I would only suggest that we should be permitted to waive the 4 per cent. interest if necessary.

As to the chances of the signed convention receiving the approval of the Medjliiss, I am not in a position to speak with any certainty, as I have purposely abstained from feeling the ground in order to incur no unnecessary hostile agitation. Sardar Mansur, the Minister of Posts and Telegraphs, has promised to give me two or three days' notice before the question is raised in the House, which will leave me plenty of time for such lobbying as seems desirable.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 284.

Alternative Draft Convention.

IN the event of the Persian Assembly refusing to ratify the agreement for the renewal of the concessions of the Indo-European Telegraph Department, the alternative proposals made herein might be put forward.

Article 1.—To improve telegraphic communication between Borasjun and Mohammerah, and Borasjun and Dizful, it is arranged that from the date of this agreement until the above-mentioned telegraph lines shall be under the control and supervision of the British Government telegraph officials now controlling the international lines in Persia.

Article 2.—The British Government agrees to procure for the Persian Government at a reasonable price all the posts, wire insulators, &c., that may be requisite for the work, and to arrange for the carriage of the stores to the sites required. An account of the expenses incurred for this purpose and certified in so far as they have been incurred in Persia by the director of the Indo-European Telegraph Department, and in so far as they have been incurred outside Persia by the director-in-chief of the department, shall be submitted as early as possible to the Persian Government.

Article 3.—The maintenance of the line, including repairs and the appointment and payment of the line guards, shall remain in the hands of the British director and staff, the cost being defrayed by the Persian Government.

Article 4.—The expenditure incurred by the British Government under articles 2 and 3 shall be refunded by the Persian Government out of the annual cash collections made by the former on account of the terminal rates and traffic account for messages

originating and terminating in Persia. The annual cost of the services of an inspector, his travelling expenses, the wages of the line gholams, the keep of their horses, the upkeep of batteries, the cost of repairs to lines and buildings and other contingent expenses shall constitute a first charge against these collections. The next charge will be 4 per cent. interest on the total cost incurred by the British Government under article 2; finally, any balance remaining will be taken in redemption of the amounts advanced. After the first year 4 per cent. will be recovered on the balance outstanding after deducting the total of such annual recoupments as shall have been refunded in previous years.

Articles 5 to 10.—As in original agreement to follow.

Enclosure 2 in No. 284.

SUMMARY of Statement by Mr. Barker.

| First charge— | Krangs. |
|---|----------------|
| Cost of inspector, say | 25,000 |
| Cost of annual repairs | 20,000 |
| Salaries of "gholams" | 15,000 |
| Horse allowance | 15,000 |
| Contingencies | 5,000 |
| Total | 80,000 |
| Second charge— | |
| 4 per cent. on (say) 10,000 <i>l.</i> = 400 <i>l.</i> , say | 20,000 |
| Total first and second charges | 100,000 |
| Taking the average annual cash collections for messages originating and terminating in Persia as | 150,000 |
| Deducting first and second charges of | 100,000 |
| Balance available annually in redemption of capital is | 50,000 |

Taking the average annual cash collections for messages originating and terminating in Persia as 150,000 krans. Deducting first and second charges of 100,000 krans.

Balance available annually in redemption of capital is 50,000 krans.

[6908]

No. 285.

Sir A. Nicolson to Sir Edward Grey.—(Received February 28.)

(No. 94.)

Sir,

St. Petersburg, February 19, 1910.

M. ISVOLSKY mentioned to me to-day that one or two papers, and notably the "Novoe Vremya," were publishing inaccurate accounts of the conditions which the British and Russian Governments had attached to the grant of a money advance to the Persian Government, and were criticising them in an adverse spirit. He did not know whether, in these circumstances, it would not be desirable to issue some clear statement as to the character of the conditions. I remarked that it seemed to me that the moment had hardly arrived to do so. He agreed with this view, but thought that there could be no harm in the two Governments discussing some form of communication which should be made public a little later.

I asked him if he had received any news from Tehran as to the impression which had been produced on the Persian Government by our conditions. He replied in the negative. As just now it is as well to keep M. Isvolsky in as good a disposition as possible towards the Persian Government, I did not mention to him the possibility of the latter raising difficulties or delays as reported in Sir G. Barclay's telegram No. 30 of the 17th instant.

I enquired whether he thought the German Government would make any comments in regard to the conditions relating to railways. He asked the meaning of my question. I replied that I hoped that the German Government would not assume that the option we sought as to railway construction conflicted in any way with the preamble to our Persian convention. He said that he did think that they could do so; they had stated they had no political interests in Persia, and railways were distinctly a

political interest. Should the German Government make any observations, I dare say a better answer could be found than the one indicated by M. Isvolsky, but I did not pursue the matter.

I have, &c.
A. NICOLSON.

[6909]

No. 286.

Sir A. Nicolson to Sir Edward Grey.—(Received February 28.)

(No. 95.)

Sir,

St. Petersburg, February 19, 1910.

M. ISVOLSKY remarked that his news from Tabreez was not quite satisfactory. I asked how matters stood at Kazvin. He said that all was quiet there; and indeed he was ready to withdraw the Russian troops from that locality. I observed that such a step would have a most excellent effect both in Persia and at home; and perhaps he would submit a proposal of that nature to the Cabinet Committee which dealt with Persian questions. His Excellency said that he was desirous of any opportunity to do so, and he trusted that the Persians would not, in the meanwhile, make any further manifestations against the presence of Russian troops. I asked him to tell me what was the tenor of his information from Tabreez. His Excellency said that Sattar and Baghir Khans were creating trouble, and that although the Governor-General was anxious to keep those individuals within bounds, he was powerless to effect anything, having no troops or funds at his disposal. Furthermore, the road from Ardebil to Tabreez was infested with Shahsevans and other brigands who were rendering the passage of caravans unsafe and uncertain. The Persian population was being terrorised and were glad that there were Russian troops at hand to afford some measure of protection. He had recently had an example that the Persians on the spot did not wish that the Russians should at once withdraw, as owing to some complaint as to the conduct of the Russian troops in one locality, the Russian consul-general at Tabreez had ordered an enquiry, and the results were that the inhabitants had petitioned that the Russian detachment should be left. I made no remark on this instance cited by M. Isvolsky, but I should imagine that a different complexion would probably be placed upon it had the enquiry and report not been exclusively the work of an interested Russian official.

I remarked that the force of Ephrem Khan should now be free, and might be utilised for clearing and guarding the Ardebil-Tabreez road. His Excellency said that Ephrem in such circumstances would probably come into collision with Sattar and Baghir Khans, and the situation thereby rendered worse. Moreover Ephrem Khan declined to move so long as Russian troops were on the scene, which attitude M. Isvolsky considered to be absurd.

The statements of M. Isvolsky as to the presence of Russian troops at Tabreez and in its neighbourhood cannot be considered as at all satisfactory, and the reasons which he advanced for the retention of the Russian force were not convincing. In regard to the Kazvin force he seemed inclined to adopt a more reasonable attitude, and I think that it will be best to endeavour to obtain the withdrawal of the troops from Kazvin, leaving the Tabreez question alone for the moment. Apart from ruffled feelings at the discussion in the Medjliss, there can be no possible reason for retaining the force at Kazvin, and I will take the earliest opportunity of recurring to that matter.

I have, &c.
A. NICOLSON.

[6911]

No. 287.

Sir A. Nicolson to Sir Edward Grey.—(Received February 28.)

(No. 99.)

Sir,

St. Petersburg, February 21, 1910.

DURING the recital of his grievances against the Persian Government, M. Isvolsky alluded to their demand for the extradition of Rahim Khan. He said that such a request could not be granted. If Rahim Khan had taken bast at a Russian consulate he would not have been handed over, and *a fortiori* could not be surrendered if he took refuge in Russian territory.

I asked if there were not a supplementary convention to the Tourkmantchai treaty

dealing with the cases of Persians who crossed the frontier without passports, and which prescribe that they should be handed over to their authorities. M. Isvolsky said that the convention to which I alluded had no sort of application to cases similar to that of Rahim Khan. The convention merely laid down certain provisions to regulate the normal passage to and fro across the frontier, and dealt with the question of passports. These were ordinary regulations applicable to any frontier, and naturally did not extend to political refugees.

I must admit that the contention of M. Isvolsky seems to me to hold good. In any case, it was not for me to argue the question, as in this instance it would be improper for me to appear to be holding a brief either for the Persian Government or for Rahim Khan. I therefore allowed the matter to drop.

I have, &c.
A. NICOLSON.

[6912] No. 288.

Sir A. Nicolson to Sir Edward Grey.—(Received February 28.)

(No. 100.)
Sir,

St. Petersburg, February 21, 1910.

IN continuation of my despatch No. 95 of the 19th instant, I have the honour to report that I observed to M. Isvolsky this morning that I should like to recur to the question of the withdrawal of Russian troops from Kazvin. He had told me at our last interview that he was desirous of taking the earliest opportunity of recalling the force, and I did hope that he would see his way to laying a proposal to that effect before the Council of Ministers. A measure of that nature would create such an excellent impression not only in Persia, but also in my country, that I begged to urge it upon him. His Excellency said that I knew very well how sincerely anxious he was to withdraw the troops from Kazvin, and if he could find some good reason on which to *accrocher* a proposal to the council he would gladly seize it. But what was he to do? The Persian Government were rendering it exceedingly difficult for him to do so. The Persian chargé d'affaires had written an official note requesting the withdrawal, on the ground that order had been re-established throughout Persia. This was a travesty of the facts. The whole of the south of Persia was in anarchy; the Russian consul-general was detained at Shiraz, unable to proceed to his post; the assailants and plunderers of his caravan were still at large and unpunished; the Ardebil road was infested with brigands; and the situation at Tabreez was anything but satisfactory. I observed that all this was perhaps true, but still at Kazvin and on the Resht-Tehran road all was peaceful and orderly. M. Isvolsky agreed, but asked me how could he go before the council with nothing in his hand but this official note. He could not hope to induce his colleagues to agree in such circumstances to a withdrawal. Why did the Persian Government continue to write official notes of the character he had described? That was quite the wrong way to enlist the sympathies of the Russian Government. He really could not understand why the Persians were so foolish. If they could give him some mark of reason and of friendliness his hands would be strengthened, but as matters stood it was exceedingly difficult for him to move.

I will take another and an early opportunity of again referring to the question, as it is possible that continued and gentle pressure may overcome the scruples of M. Isvolsky. It would be of considerable assistance if the Persian Government abstained from official requests, and approached the Russian Government by different methods and in a different spirit.

I have, &c.
A. NICOLSON.

[7154] No. 289.

Sir G. Barclay to Sir Edward Grey.—(Received February 28.)

(No. 87.)
(Telegraphic.) P.

ADVANCE to Persian Government.

The Prime Minister informs me that a section of the Medjliss has engineered popular demonstration against the joint advance, in the form of a petition signed by

many members of the mercantile community and of telegrams from the clergy of Nejef and other places, although the Cabinet has not yet submitted the conditions to the assembly.

It is said, moreover, that three of the six Cabinet Ministers are very unwilling that our terms should be accepted.

Sipahdar and Sardar Assad, who feel that it is impossible to continue in office without money, desire to discuss the terms with us—difficulties have been raised especially in connection with conditions 3 and 4 relating respectively to instructors and railways—and it is evident that in view of the above-mentioned agitation they do not dare to submit them to the Medjliss in their actual form.

Indeed, agitation has developed to such an extent that Sipahdar and Sardar Assad tendered their resignation yesterday, but the general attitude of the two Ministers indicates that this step was dictated merely by a desire to bring the agitators to reason, and they will probably withdraw their resignation.

[6594]

No. 290.

Foreign Office to Mr. F. C. Strick.

Dear Mr. Strick,

Foreign Office, February 28, 1910.
MANY thanks for your letter of the 23rd regarding the voyage of "Mr. Consul Listemann" from Marseilles to Bushire on board your steam-ship "Kurdistan."

Herr Listemann was German vice-consul at Bushire before Herr Wassmuss, who now occupies that post.

Yours sincerely,
LOUIS MALLET.

[7236]

No. 291.

Sir G. Barclay to Sir Edward Grey.—(Received March 1.)

(No. 88.)
(Telegraphic.) P.

Tehran, March 1, 1910.

INFORMATION has reached me from a usually reliable source, to the effect that the services of an expert jeweller in Paris have been secured by the Persian Government, who will proceed to Tehran to value the crown jewels on the spot. Until the report of the expert has been received, the Persian Government will, my informant says, probably not take any definite action with reference to the proposed joint advance. It is intended to sell jewels at Paris by auction if report is favourable.

[7253]

No. 292.

Sir G. Lowther to Sir Edward Grey.—(Received March 1.)

(No. 36.)
(Telegraphic.) P.

Constantinople, March 1, 1910.

WITH reference to Foreign Office telegram No. 43 of the 24th ultimo, I have the honour to state that I supported Russian Ambassador. Rifaat Pasha assured me greatest circumspection would be used by Ottoman consulate-general at Tabreez. If lives of khans were in danger and they asked for bast, he did not see, however, how it could be refused, but no encouragement would be given. His Excellency told M. Tcharykoff that the khans would be sent out of the country under the escort of the Russian commander, with a guarantee for the safety of their lives (see your despatch No. 179 of the 21st June, last enclosure) on lines of agreement, if they did take bast.

[1704]

3 A

[7341]

No. 293.

Sir G. Barclay to Sir Edward Grey.—(Received March 2.)

(No. 89.)

(Telegraphic.) P.

Tehran, March 2, 1910.
I HAVE the honour to report, in continuation of my telegram No. 87 of the 28th February, that the Minister of the Interior has stated to European press correspondents that the continued presence of Russian troops is the cause of his resignation. This statement is unfortunate, for while I am in touch with certain correspondents, and these have carefully avoided emphasising this reason, it is possible that the Minister's words may be so reported in St. Petersburg that they may be taken to indicate a renewed demonstration against Russian troops in Persia.

Sardar Assad informed me that he was resigning because it was impossible to carry on Government while Russian troops remained, but I refrained from reporting this as no mention was made by Sipahdar, or other Ministers of whom I enquired, of Russian troops as the cause of the crisis in which Ministry is placed.

Apart from the question as to whether or not Minister of Interior is exaggerating the effect which presence of Russian troops has had in bringing about present crisis, it cannot be denied that an atmosphere in every respect favourable to agitation against our proposed advance, even before public are made aware of conditions attached thereto, has been produced by their retention, especially by retention of Kazvin force.

[7148]

No. 294.

Sir Edward Grey to Sir G. Barclay.

(No. 42.)

(Telegraphic.) P.

Foreign Office, March 2, 1910.

IMPORTATION and coinage of silver having up till now been monopoly of Imperial Bank, and it having been the State bank, I think communication to the Russian Government, to meet objections on their part which are foreseen in your telegram No. 83 of the 26th ultimo, would be unnecessary.

[7373]

No. 295.

Sir A. Nicolson to Sir Edward Grey.—(Received March 3.)

(No. 79.)

(Telegraphic.) P.

St. Petersburg, March 2, 1910.

AT an interview which I had to-day with M. Isvolsky, his Excellency stated that he considered the situation at Tabreez to be by no means satisfactory. He said that a new trouble had arisen over fishing rights near Enzeli, and that a delegate from the Russian consulate had been maltreated during the incident. It might be necessary for the Russian Government to take some measures in connection with the matter. He added that no satisfaction had as yet been given by the Persian Government either for the depredations committed by the Karadaghis or for the murder of a Cossack officer; that no steps had up to the present moment been taken towards disarming the Shah-sevans, the Persian Government maintaining that all was tranquil and in order since their defeat of Rahim Khan. M. Isvolsky observed that it was not desirable to withdraw the troops from Tabreez at the present moment in view of this series of grievances which the Russian Government had against the Persian Government.

On the conclusion of M. Isvolsky's enumeration of his complaints against the Persian Government I saw that it would be wiser, especially in view of the new trouble at Enzeli, not to press his Excellency again to-day to withdraw the Russian troops from Kazvin.

[7420]

No. 295*.

Sir G. Barclay to Sir Edward Grey.—(Received March 3.)

(No. 90.)

(Telegraphic.) P.

Tehran, March 3, 1910.

IN reply to your telegram No. 42 of the 2nd March, I have the honour to state that Imperial Bank of Persia have not, hitherto, had monopoly for importation and coinage of silver.

Can I presume that this does not affect view expressed in your above-mentioned telegram?

[10975]

No. 296.

Sir Edward Grey to Sir G. Barclay.

(No. 81.)

(Telegraphic.) P.

Foreign Office, March 3, 1910.

RUSSIAN troops in Persia.

Please inform me whether the report received from the Persian Minister here, that fifty-one Russian Cossacks have been dispatched to Bushire, is true.

[7519]

No. 297.

Admiralty to Foreign Office.—(Received March 4.)

(Confidential.)

Sir,

Admiralty March 2, 1910.

WITH reference to your letter of the 26th ultimo, I am commanded by my Lords Commissioners of the Admiralty to request you will inform the Secretary of State for Foreign Affairs that they agree to the temporary retention at Shiraz of the naval Maxim gun detachment.

In view, however, of the fact that this detachment has been employed since last August on duty which is purely military, their Lordships consider that they should be relieved by Indian troops as soon as they can safely withdraw to the coast.

I am to request that, should the Secretary of State see no objection, arrangements may be made accordingly.

I am, &c.

C. I. THOMAS.

[7560]

No. 298.

Anglo-Persian Oil Company to Foreign Office.—(Received March 4.)

Sir,

Winchester House, Old Broad Street, London,

March 3, 1910.

I HAVE the honour to acknowledge receipt of your letter of the 24th ultimo, addressed to the vice-chairman of this company, advising the receipt by Sir E. Grey of a despatch from His Majesty's Minister at Tehran reporting that he has now received an official reply from the Persian Government to his repeated enquiries as to who is the holder of the office of commissionership for the oil concession, and that it is to the effect that Sadigh-es-Sultaneh is to continue to act as commissioner.

I am very pleased that this uncertain point has at last been settled, and have to express the thanks of my board to His Majesty's Minister at Tehran for the assistance he has given in obtaining this declaration from the Persian Government.

I have, &c.

C. GREENWAY,
Managing Director.

[7569]

No. 299.

Sir G. Barclay to Sir Edward Grey.—(Received March 4.)(No. 91.)
(Telegraphic.) P.

URUMIA LAKE navigation.

I am informed by His Majesty's consul at Tabreez that the German consular agent has signed a contract with Imam Kuli Mirza to supply a barge for the lake actuated by a petroleum motor. An engineer and assistant from Kiel will supervise the construction of the barge in Tabreez, and the latter will mount the motor fittings obtained from his own country.

The transit of the machinery through Russian territory and along Julfa-Tabreez road will be made as heavy as possible, M. Poklewski informs me.

[7570]

No. 300.

Sir G. Barclay to Sir Edward Grey.—(Received March 4.)(No. 92.)
(Telegraphic.) P.

IN continuation of my telegram No. 88 of the 1st March.

Sipahdar informs me that an expert jeweller is proceeding to Tehran from Europe.

[7571]

No. 301.

Sir G. Barclay to Sir Edward Grey.—(Received March 4.)(No. 93.)
(Telegraphic.) P.

IN continuation of my telegram No. 89 of the 2nd March, I have the honour to report that I have received further particulars of the Ministerial crisis from the Prime Minister. It is evident that the Medjliiss and the Cabinet hold very divergent views.

It is hoped that an understanding, with a view to which negotiations are proceeding, will be arrived at. Ministry is carrying on as usual in the meantime.

[7580]

No. 302.

Sir G. Barclay to Sir Edward Grey.—(Received March 4.)(No. 94.)
(Telegraphic.) P.

Tehran, March 4, 1910.

GERMAN Minister in Tehran has informed M. Poklewski that German Government are again about to make representations at St. Petersburg against the proposed employment of Frenchmen in the Finance Ministry of the Persian Government.

[7581]

No. 303.

Sir G. Barclay to Sir Edward Grey.—(Received March 4.)(No. 95.)
(Telegraphic.) P.

Tehran, March 4, 1910.

PLEASE refer to second paragraph of my telegram No. 74 of the 22nd February. I am informed by Prime Minister that Persian Government have ordered Sattar and Bagher Khans to come to the capital. The departure of these men from Tabreez will, Mr. Smart thinks, bring about the collapse of the fedai organisation.

With reference to Sir A. Nicolson's telegram No. 79 of the 2nd March: Fisheries incident. Persian Government have promised my Russian colleague a satisfactory settlement of this matter. Rahim Khan. It is more than usually difficult for Persian Government to give satisfaction for depredations of rebel chief, in view of fact that his plunder is stored in Russia. M. Poklewski has on more than one occasion brought this point to notice of his Government, and has suggested the confiscation of Rahim Khan's ill-gotten property. Murder of Cossack officer. Russian Minister for Foreign Affairs presumably alludes to the Belia Sava incident of April 1908. Under the circumstances

this grievance seems somewhat irrelevant. Shahsevans. Sardar Assad has informed my Russian colleague that these tribesmen have made their submission to central Government; it would be a dangerous experiment to attempt to disarm them at the present time.

M. Poklewski tells me that his Government are deferring discussion of question of Russian troops in Persia until the arrival in St. Petersburg of the officer who commanded the regiment lately at Ardebil and who is shortly expected. Matter will then be thoroughly examined.

[7554]

No. 304.

Sir Edward Grey to Sir G. Barclay.

(No. 43.)

(Telegraphic.) P.

Foreign Office, March 4, 1910.

CARPETS taken by Rahim Khan.

As far as you are able, you should assist Castelli's agent in presentation of his claim for recovery of carpets (see your telegram No. 75 of the 23rd February). *See 306*

[7519]

No. 305.

Sir Edward Grey to Sir G. Barclay.

(No. 44.)

(Telegraphic.) P.

Foreign Office, March 4, 1910.

ADMIRALTY think that naval detachment at Shiraz (see your telegram No. 79 of the 24th February) should be relieved by Indian troops as soon as it can without danger proceed to the coast. You should telegraph when this can be done. Meanwhile, Admiralty agree to retention of detachment.

[7554]

No. 306.

Sir Edward Grey to Sir G. Barclay.

(No. 45.)

(Telegraphic.) P.

Foreign Office, March 4, 1910.

CARPETS taken by Rahim Khan.

Rumour has reached me that Castelli is representing Deutsche Bank in Persia. If suspicion on this ground is confirmed you may consider my telegram instructing you to support him as cancelled. (N^o. 43)

[7009]

No. 307.

Foreign Office to India Office.

Sir,

Foreign Office, March 4, 1910.

WITH reference to Sir G. Barclay's despatch No. 125 of the 17th June last, copy of which will be found in Persia Confidential Print, 5th July, section 16, relative to the Anglo-Persian convention for the improvement of the Arabistan telegraph lines and their control by the Indo-European telegraph department, and for the renewal of the telegraph agreements of 1868, 1872, and 1901, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a further despatch on the subject.*

It will be observed that Sir G. Barclay contemplates the possibility that the Medjliiss will refuse to ratify this convention, and that, in order to forestall such an eventuality, an alternative draft convention has been prepared from which the provisions more likely to be distasteful to that assembly have been omitted.

I am to request that Viscount Morley will be so good as to furnish Sir E. Grey with his observations on this draft, which, as appears from Sir G. Barclay's despatch, has already been submitted to the director-in-chief of the Indo-European telegraph department, and that he will at the same time express an opinion on the proposal to

waive the 4 per cent. interest payable on the total cost incurred by His Majesty's Government under article 2 of the convention.

I am, &c.
LOUIS MALLET.

[6642]

No. 308.

Foreign Office to Treasury.

Sir,

WITH reference to Mr. Langley's letter of the 21st June last, relative to the adjustment between the Imperial and Indian Exchequers of liabilities on account of the advance of 300,000*l.* made to the Persian Government in 1903 and 1904, I am directed by Secretary Sir Edward Grey to transmit to you herewith a copy of a further letter from the India Office, pointing out that their letters in which a proposal was made for the settlement of this question still remain without an answer, and expressing the hope that a reply may be given with as little further delay as possible.

I am to request that the Lords Commissioners of His Majesty's Treasury may be moved to give effect to the wish expressed in the India Office letter.

I am, &c.
LOUIS MALLET.

[7687]

No. 309.

Anglo-Persian Oil Company to Foreign Office.—(Received March 5.)

Winchester House, Old Broad Street,
London, March 4, 1910.

Sir,
I HAVE the honour to acknowledge receipt of your letter of the 25th ultimo, advising, that in reply to the telegram which was sent to His Majesty's Minister at Tehran, enquiring whether he anticipated any objection on the part of the Persian Government to my company placing a launch and barges on the Upper Karun River, Sir Edward Grey has received a telegram from Sir George Barclay stating that the articles in the concession on which we base our demand appear to be irrelevant to the point at issue, and that he anticipates strong objection on the part of the Persian Government.

I am desired by my board to express disappointment at the view that Sir George Barclay takes of the rights under our concession, as the whole intention and spirit of the concession is, undoubtedly, that we should be permitted to take any and all steps that may be necessary for carrying out the objects thereof in the speediest and most economical manner; and my board hold that if there is any prior concession in existence giving exclusive rights of navigation on the Upper Karun to other parties, and those parties have not (as is the case) sufficient boats on the river to enable them to carry our material, it is unquestionably the duty of the Persian Government, under clause 14 of the concession, which reads as follows:—

"The Imperial Government binds itself to take all and any necessary measure to secure . . . the carrying out of the object of this concession,"

to take all and any measures that may be necessary to enable us to transport our pipe line and other material to the oil-field and elsewhere, as may be required.

Land carriage is impracticable, and therefore we have no alternative but to avail ourselves of transport on the river. Messrs. Lynch and the Moin-i-Tujjar are both, with their limited supply of boats, unable to cope with the additional traffic resulting from the large amount of material we are now sending forward, and the Moin's agent has indicated that he cannot carry any material at all for us after the 15th June, owing to the anticipated large crops which will keep his boats fully occupied.

The only solution of the difficulty therefore is for additional boats to be put on the river at once, and since the Moin is not able, even if he were willing to do this, it appears to my board to be obligatory on the Persian Government to grant us permission

to put on some boats of our own, subject of course to the proviso that they will not be employed for any other purpose than the carrying of our own material and employés; and that it is for the Persian Government to make such representations to, or arrangements with, the Nasiri Company, as may be necessary in view of (1) their undertaking to us as quoted above, (2) the monopoly of the navigation granted to the Nasiri Company, and (3) the inability of that company to carry our material.

In accordance with Sir E. Grey's recommendation, we have telegraphed to our agents to refrain from placing any vessels on the Upper Karun, pending receipt of a reply to the application which Sir George Barclay is kindly putting forward on our behalf for the necessary permission; but as a mere application, without a full statement of the grounds on which it is based, may fail in its object, my board would esteem it a favour if you could, with the above views before you, send a further telegram to Sir George Barclay giving him such of the above facts as you think may strengthen his application.

My board desires me to express their apologies to you for troubling you so considerably in this matter, and to explain that their reason for doing so is that the question involved is one of very great importance to this company, inasmuch as if any delay should occur in augmenting the transport facilities on the Upper Karun, the loss to the company, consequent upon not being able to complete their pipe line with all reasonable dispatch, may be very heavy indeed. If such a loss should occur my board hold that it is one for which the Persian Government will, morally, at any rate, be liable; and, moreover, by delaying the completion of the line, they will be depriving themselves during the period of the delay of the revenue to be derived by them from the operations of the company.

I have, &c.
C. GREENWAY,
Managing Director.

[7420]

No. 310.

Sir Edward Grey to Sir G. Barclay.

(No. 46.)
(Telegraphic.) P.

Foreign Office, March 5, 1910.

MINT contract of Imperial Bank.

I think that, in spite of your telegram No. 90 of the 3rd instant, I need not change my view. The Imperial Bank is (as is set forth in article 1 of the concession) the Persian State Bank, and it was the Persian Government who made the proposal. Moreover, duration of contract is to be one year only.

[7536]

No. 311.

Sir Edward Grey to Sir G. Barclay.

(No. 32.)
Sir,

Foreign Office, March 5, 1910.

THE secretary of the Persian Legation called at this Office on the 23rd ultimo to say that Prince Salar-ed-Dowleh, brother of the late Shah, Mohammed Ali, is now in London.

He wished to state that the Prince was an eccentric and turbulent character, who had more than once created disturbances in Persia, and who had been expelled from the country. His Serene Highness had been wandering about Europe, and had recently visited St. Petersburg and Constantinople.

The Prince constantly asked the Persian Government to make him an allowance, but he had a property of his own in Persia, which was quite sufficient for his needs. The Persian Government would have nothing to do with him, and would not allow him to return to Persia.

Abdul Ghaffer Khan expressed the hope that if Salar-ed-Dowleh tried to approach this office he would not in any way be encouraged.

I may add that the Russian Ambassador recently informed Sir C. Hardinge that Salar-ed-Dowleh had asked to see him. His Excellency enquired Sir C. Hardinge's opinion as to the reply which should be returned to this request.

Sir C. Hardinge replied that it would be more prudent not to receive His Serene

Highness, as he was eccentric, and it would be impossible to know what account he would give of any conversation which might take place.

Count Benckendorff concurred in this view.

I am, &c.
E. GREY.

[7748] No. 312.

Sir G. Barclay to Sir Edward Grey.—(Received March 6.)

(No. 96.) (Telegraphic.) P. *Tehran, March 6, 1910.*
IN continuation of my telegram No. 811 of the 15th December, 1909, I have the honour to report that no confirmation of the alleged lease of land on the Karun to a Russian subject can be obtained by His Majesty's consular officers at Ahwaz and Mohammerah. Arabs, sheikh of Mohammerah declares, who are now subject to him, have owned the land from time immemorial. Moreover, the region is not suited to irrigation work.

In the circumstances, I think we can let the matter rest, though my informant sticks to his story.

[7745] No. 313.

Sir A. Nicolson to Sir Edward Grey.—(Received March 6.)

(No. 84.) (Telegraphic.) P. *St. Petersburg, March 6, 1910.*
PERSIA and French financial advisers.

Sir G. Barclay's telegram No. 94 of the 4th March.

No mention has so far been made to M. Isvolsky by the German Ambassador of the proposed engagement of French advisers by the Persian Government, but M. Isvolsky expects that the German Ambassador will very shortly approach him on the subject. His Excellency regards the matter as serious, but will of course give no official reply without first consulting His Majesty's Government.

[7746] No. 314.

Sir A. Nicolson to Sir Edward Grey.—(Received March 6.)

(No. 85.) (Telegraphic.) P. *St. Petersburg, March 6, 1910.*
RUSSIAN troops in Persia.

Last paragraph of Sir G. Barclay's telegram No. 95 of the 4th March.

The officer referred to has arrived in St. Petersburg, and the question of the Russian troops in Persia will be submitted to a thorough examination at the next meeting of the committee. On my observing to M. Isvolsky that I hoped that it would be found possible to withdraw the troops from Kazvin, his Excellency replied that he trusted to be able to do so if no fresh incident occurred.

[7767] No. 315.

Sir G. Lowther to Sir Edward Grey.—(Received March 7.)

(No. 115.) Sir, *Constantinople, February 27, 1910.*
WITH reference to my despatch No. 39 of the 25th January, I have the honour to report that the Persian Ambassador informs me that he has received a note from Rifaat Pasha, stating that instructions have been sent to the Turkish troops at Sakiz to evacuate that place, as it is admittedly in Persian territory. His Excellency has also been informed that instructions have been sent to Ibrahim Pasha, the Mushir of

Van, to withdraw all the troops sent within the last few months. The Persian Ambassador believes that this means the evacuation of Naghidé and Mamashir.

I have sent a copy of this despatch to Tehran.

I have, &c.
GERARD LOWTHER.

[8172]

No. 316.

International Oriental Syndicate to Messrs. Samuel and Co.—(Communicated by Messrs. Samuel and Co., March 7.)

15, Angel Court, Throgmorton Street, London,
March 3, 1910.

Dear Sirs,
AT Mr. Emden's request we have pleasure in enclosing herewith particulars of the securities offered by the Persian Government.

Yours faithfully,
HERBERT L. BROMHEAD, Secretary.

Enclosure in No. 316.

Note respecting Imperial Persian Government Loan.

THE security offered by the Imperial Persian Government for an immediate advance of the sum of 200,000*l.* on loan is as follows:—

1. The Government's entire interest in the D'Arcy concession, comprising 20,000 shares in the First Exploitation Company, 16 per cent. of the net profits of all companies formed to work under this concession, and an annual rent of 2,000 tomans a year.
2. The receipts or profits from the mint, which, since the establishment of the present constitutional Government, have been at the rate of 750,000 tomans, or approximately 150,000*l.* per annum.
3. A first charge on the uncharged revenues of the State up to 200,000 tomans, approximately 40,000*l.*, or, subject to the charge given to the Indian Government (which has so far not been exercised), the receipts from the post and telegraphs would be specifically pledged. These receipts for a number of years have returned 200,000 tomans (40,000*l.*). The loan would be authorised and the securities pledged by Act of Parliament passed by the Medjliss, and irrevocable by the nation. The annual value of the securities offered are far in excess of that required for the sum asked, the reason of this being that the Persian Government wish in every way to facilitate getting this sum of money by means of a private loan.

[8042]

No. 316*.

Sir G. Barclay to Sir Edward Grey.—(Received March 7.)

(No. 97.) (Telegraphic.) P. *Tehran, March 7, 1910.*
ADVANCE to Persian Government.

The Minister of Finance, accompanied by a representative of the Ministry of Foreign Affairs, came yesterday to ask for explanations with regard to conditions that we had attached to the joint advance. Conditions were discussed at length, in presence of Russian Minister and myself. Following were the most important points raised:—

In commenting on condition 3, we called attention of Ministers to the fact that the expression "as soon as possible" was vague, and we explained that the time for the engagement of foreign instructors had purposely been left unfixed. Minister of Finance seemed to be relieved by this explanation, and it is probable that the Cabinet had feared that demand for the engagement of Russian military instructors would be made without delay.

With regard to condition 4, Ministers urged that acceptance would be tantamount to excluding all outside applications whatever, since no one would be willing to come

forward with the knowledge that the refusal of any railway concession must be offered to the two Powers. In reply, we pointed out that the two neighbouring Powers could not be expected to allow such railway concessions as were of interest to them, and which, doubtless, we should be able to enumerate in due time, to be given to a third party without consultation with them. The refusal of such concessions would always be expected by Great Britain and Russia, even if this condition were not included in those attached to the advance under discussion. Indeed, this condition formed part, with that precluding the employment of instructors for any armed force without the approval of the two Powers, of the settled policy of Great Britain and Russia in Persia, which would be followed independently of any question of advance.

In discussing condition 6, Ministers stated that the small advance was regarded by Persian Government as inseparable from the larger loan, and they asked that an assurance might be given that the latter should be burdened with no further conditions save such as were connected with the loan itself, i.e., security, interest, &c. (It is evident that apprehensions as to demands which might be made with larger loan have been aroused by conditions attached to the smaller advance.) In reply, we stated that two Powers could give no such assurance, but we added that we did not anticipate conditions which they would consider very formidable in connection with the larger loan, since, if made, it would be devoted mainly to conversion purposes and would leave little surplus.

Ministers declared that in principle Cabinet was entirely in favour of the joint advance, and they expressed the hope that we would facilitate their difficult task of inducing the National Assembly to agree to it.

My Russian colleague and I said that we hoped that the explanations we had given would have this effect.

[6846]

No. 317.

Sir Edward Grey to Sir G. Barclay.(No. 33.)
Sir,

WITH reference to your telegram No. 58 of the 10th ultimo relative to the request of Zil-es-Sultan for the unofficial intervention of His Majesty's and the Russian legations at Tehran, in the matter of the seizure by the Governor-General of Ispahan, under orders from the Persian Government, of certain villages forming part of the property of His Serene Highness, I transmit to you herewith copy of a further letter from him,* renewing his former demand, and begging that the same measure of protection as he received before he left Persia may once more be accorded to him by His Majesty's and the Russian Government.

As regards Zil-es-Sultan's first request, I should be glad if you would consult your Russian colleague, and report in due course whether any consideration is advanced in His Serene Highness's letter which leads you to change the opinion expressed in your telegram above referred to, that unofficial action by the two legations would be useless in the circumstances.

To the second request, I would propose to reply that His Majesty's Government see no sufficient reason for again extending to Zil-es-Sultan the protection which he has forfeited.

In the meanwhile, I have merely acknowledged the receipt of His Serene Highness's letter.

I am, &c.
E. GREY.

[8445]

No. 318.

Sir Edward Grey to Sir E. Goschen.(No. 55.)
Sir,

COUNT METTERNICH came to speak to me to-day about Persia. He said that Germany had taken an unassuming line with regard to Persia; but she had commercial interests in that country, and amongst other things he might

* No. 278.

mention that the late disturbances had caused German subjects to suffer losses amounting to perhaps 10,000*l*. He understood that we had means of satisfying our claims by deducting the amount of them from moneys which we paid to the Persian Government. Germany had no such means, and would therefore like, when a loan was made to the Persian Government, that her claims should be met out of the proceeds of the loan.

I said that the idea as to our deducting our claims in this way was a complete misapprehension. The only means we had of getting even the interest on the money which we had lent to the Persian Government was to realise the security by seizing the customs and deducting what was due to us. We had not, however, contemplated taking any steps of this sort. As a matter of fact, the interest on our loans to the Persian Government was in arrears, and I was under the impression that the Imperial Bank of Persia—which, though independent of the British Government, was still a British institution—had also not received some of the interest due to it. The small loan of 400,000*l*., about which the Russian and British Governments were now negotiating with the Persian Government, was being offered solely in order to enable the Persian Government to pay its gendarmerie and troops, and to restore order in the country. We had not, so far as I was aware, contemplated the satisfaction of any of our own claims out of this loan. In the future, when the Persian Government had restored order in their country, they might raise a larger loan in the ordinary way, and then the question of satisfying claims might arise. I promised, however, to look into the question of the financial obligations of the Persian Government towards us, and to ascertain how the claims of British subjects stood, so as to make sure that what I had told the Ambassador was correct.

Count Metternich then went on to speak of the "open door" in Persia. He said that, if Persia intended to employ the subjects of neutral Powers other than England and Russia, Germany should be on a footing of equality. If he remembered rightly, the "open door" was preserved in the Anglo-Russian agreement; there was, therefore, nothing in the German claim inconsistent with that agreement.

I replied that I quite understood the German point of view. But at present, so far as I knew, the Persian Government were not thinking of employing additional foreigners, except for the financial department, where there was already a French adviser, who had been there some time. I believed that there was some question of placing some French subordinates under this adviser.

Count Metternich said that this was just what his Government had heard. He thought it was proposed to engage five or seven additional Frenchmen, and this would put Persian finances entirely under French control.

I told Count Metternich that I would examine all the questions he had raised, especially with regard to British claims and the loan to the Persian Government.

In the course of conversation with regard to the possibility of a future loan, Count Metternich mentioned that, if it was to be raised from bankers in the ordinary way, his Government would expect German bankers to have the same opportunity for participating in it as bankers of other nationalities had.

I am, &c.
E. GREY.

[6846]

No. 319.

Sir Edward Grey to Zil-es-Sultan.

Sir,

I HAVE the honour to acknowledge the receipt of your Imperial Highness's letter of the 23rd ultimo, renewing your request for the unofficial intervention of His Majesty's Minister at Tehran in the matter of the seizure by the Governor-General of Ispahan, under orders from the Persian Government, of certain villages forming part of your property, and asking that the same measure of protection which you received before you left Persia may once more be accorded to you by His Majesty's and the Russian Governments.

I have, &c.
E. GREY.

[7687]

No. 320.

Sir Edward Grey to Sir G. Barclay.(No. 47.)
(Telegraphic.) P.

Foreign Office, March 8, 1910.

LAUNCH and barges on the Upper Karun for the Anglo-Persian Oil Company. Please refer to your telegram No. 82 of the 24th February. Following is contention of Oil Company. Persian Government are bound to see that objects of concession are secured, and to take necessary steps to this end (see article 14 of concession). But necessary transport cannot be supplied to company either by Lynch or by Nasiri Company, the two companies who hold monopolies of navigation on the river. Oil company should therefore be allowed to supply means of transport for their own employés and material by themselves, placing additional boats on the river, and the Persian Government should arrange accordingly with Nasiri company. This should be done at once, as delay will cause loss, not only to company but to Persian Government also, since the revenue derived by latter from company's operations will suffer.

If you think proper, make representations to Persian Government in this sense.

[8288]

No. 321.

Imperial Bank of Persia to Foreign Office.—(Received March 9.)

Sir,

WITH reference to your enquiry by telephone this afternoon regarding interest on the Persian Government debt to the bank, I have the honour to enclose an extract from a confidential letter, dated the 12th February, received from our Tehran office on the 5th instant, from which you will see how the payments for interest stood at the date of the letter, the 12th February.

The sum mentioned in the Tehran letter, 149,826 tomans, has, according to a telegram from Tehran on the 24th February, been increased to 190,000 tomans.

I am, &c.
G. NEWELL, Manager.

Enclosure in No. 321.

Extract from Confidential Letter received by Imperial Bank of Persia from their Tehran Branch, dated 12th February, 1910.

WE have available at present for interest to be brought into account on the 20th March the following amounts.—

| | | | | Tomans. |
|-----------------------------------|----|----|----|---------|
| Bushire customs transfers to date | .. | .. | .. | 114,925 |
| Received from other sources | .. | .. | .. | 34,901 |
| Total | .. | .. | .. | 149,826 |

as advised by telegram yesterday. We hope to have a further transfer from Bushire of about 30,000 tomans, as also other small sums from other sources, before closing our accounts at the half-year.

The position of the arrears due by the Bushire customs under the arrangement commencing from the 21st March last of 30,000 tomans per month is as follows:—

| | | | | Tomans. |
|---|----|----|----|---------|
| Amount receivable March 21, 1909, to January 21, 1910 | .. | .. | .. | 300,000 |
| Amount transferred from Bushire to date | .. | .. | .. | 174,226 |
| Deficit | .. | .. | .. | 125,774 |

We will keep you informed in future, as desired by letter, every month as to the amount of interest received on the Government debts.

[8295]

No. 322

Sheikh Hasan to Sir Edward Grey.—(Received March 9.)

Sir,

78, Hills Road, Cambridge, March 7, 1910. I HAVE received from my fellow citizens of Tabreez in Persia an earnest appeal to the English people to endeavour, in accordance with the assurances repeatedly given to us both by England and Russia, to induce Russia to withdraw her troops from Persian soil, where their harsh and tactless behaviour—to use no stronger term—causes increasing distress and anxiety to my countrymen.

I have the honour to enclose herewith a translation of this appeal. It was sent to me with the request that I would publish it in the English newspapers, but it appeared to me that I should better serve the interests of all concerned by bringing it in the first instance to your notice, in the earnest hope that you will appreciate the difficulties of our position, and will exert your great influence to mitigate their difficulties and to release my fellow townsmen from the anxiety which the continued presence of the Russian troops at Tabreez and elsewhere in Persia occasions them.

I have, &c.

SHEIKH HASAN.

Enclosure in No. 322.

Translation of Representation received from the People of Tabreez.

Sir,

March 9, 1910.

IN the Anglo-Russian Agreement signed the 31st August, 1907, the text of which appeared in the papers of the 25th September of the same year, did you not say that you would respect the integrity and independence of Persia?

Did you not also bind yourself in this agreement to safeguard the independence of Persia from each other's aggression?

Did you not pledge your official word through your representative in Tehran in the early days of September 1907 that the object of this agreement was only to strengthen the independence of Persia?

Did you not undertake in this agreement with Russia to avoid all interference in our internal affairs, and also to prevent each other from interfering?

These are the pledges which you have given to us officially.

Now we ask you, taking the whole world to witness between us, why have not these pledges which you have given us been kept?

How have you "respected our independence?"

How have you redeemed the official pledges which you gave us through your representative at Tehran?

Is this the meaning of the repeated promises you have given us not to interfere? You who asked Russia to dispatch her troops to our country to outrage our patriotic sentiments and violate our national feelings? We ask you conscientiously to answer these two questions:—

First, what was your reason for asking Russia to send her troops into our country? During our three years' struggle for freedom have we killed, plundered, or even injured any of you, or of the subjects of any other foreign Power?

If you reply that there was a probability of danger to Europeans, that the people of Tabreez were dying of famine, and that these Russian troops were sent merely to protect foreigners and to relieve the starving people of Tabreez, we thank you for your humane motives, but at the same time declare to you that neither now nor in the past have Europeans been in any danger, nor are the people of Tabreez now besieged and starving.

Persia has looked and is looking to you for justice, and she asks what she has done to you that you should suffer her soil to be trampled by Russian troops. How have you kept your promise regarding the independence and integrity of Persia?

The provocative behaviour of the savage Russian troops and Cossacks is admitted even by the correspondents of Russian newspapers, and is not to be denied, nor do we deem it necessary to go into details here. Suffice it to say that our lives, our property, and even our honour are at their mercy.

We, the oppressed people of Persia, declare with a loud voice that all the world

[1704]

3 D

may hear that it is by you English as much as by the Russians that we are wronged, since it was you who asked Russia to send her troops into our beloved country.

What excuse have you now for sanctioning the presence of these savage soldiers in our country, and what plausible excuse can you give to your conscience if it questions you?

We know why Russia is keeping her troops in our country, but we know that wisdom bids us suffer all that they inflict upon us to the end that we may frustrate her evil intentions.

History will not forget that England has stained her honour in this matter, and has forgotten to be the champion of liberty or the defender of an oppressed people who trusted in that honour.

In conclusion we venture again to remind you that all we desire is Persia for the Persians, and to pray that you will use your great influence to secure for them this desire, and to earn for yourself our eternal gratitude.

[8318] No. 323.

Sir G. Barclay to Sir Edward Grey.—(Received March 9.)

(No. 98.)
(Telegraphic.) P.

Tehran, March 9, 1910.

WITH reference to your telegram No. 118 of the 9th March to Sir A. Nicolson. The individual mentioned in my telegram No. 67 of the 14th February is, I expect, implicated in this matter. Would it be possible to trace his connection with the International Syndicate? Until receipt of instructions I shall of course take no action here.

[8341] No. 323*.

Sir G. Barclay to Sir Edward Grey.—(Received March 9.)

(No. 99.)
(Telegraphic.) P.

Tehran, March 9, 1910

OIL Company. With reference to your telegram No. 47 of the 8th March. I have been pressing the Persian Government hard to grant permission to Oil Company to put one launch on the Upper Karun River for the purpose of towing barges, and I have assured Persian Government, on the authority of Oil Company's local agents, that for the present only barges belonging to the Muin will be employed.

The company, I perceive, now speaks of putting "boats" on the Upper Karun. At this stage I am unwilling to add to my demand, and I trust that what its local agents stated to be its requirements will suffice for the moment to satisfy the company.

[8318] No. 324.

Sir Edward Grey to Sir G. Barclay.

(No. 49.)
(Telegraphic.) P.
PERSIA. Suggested loan by Messrs. Samuel. With reference to your telegram No. 98 of to-day, action need not be taken until Russian Government reply. Mr. Woolf is a member of the syndicate.

[7519] No. 325.

Foreign Office to India Office.

Foreign Office, March 9, 1910.

Sir, WITH reference to the letter of the 26th ultimo from this office, enclosing copies of correspondence with the Admiralty relative to the question of relieving the naval Maxim gun detachment at present occupied with the protection of His Majesty's

consulate at Shiraz, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a further letter from that department on the subject,^o together with copy of a telegram which he has in consequence addressed to His Majesty's Minister at Tehran.[†]

I am to state that Sir E. Grey would be glad if Viscount Morley would bear in mind the wish of the Lords Commissioners that the detachment may be relieved by Indian troops as soon as they can safely withdraw to the coast, so that arrangements may be made accordingly with as little delay as possible so soon as a favourable moment arrives.

I am, &c.
LOUIS MALLET.

[8443]

No. 326.

Sir A. Nicolson to Sir Edward Grey.—(Received March 10.)

(No. 86.)
(Telegraphic.) P.

St. Petersburg, March 10, 1910.

PERSIAN finances.

Your telegram No. 118 of the 8th March. I handed to M. Isvolsky on *aide-mémoire* on the proposed negotiation of a loan by the Persian Government through the agency of the International Syndicate.

M. Isvolsky told me that information had reached him from a secret source to the effect that the arrival at Tehran of an agent of the Deutsche Bank was expected very shortly. I pointed out that this intelligence only afforded an additional reason for us to put in our warning to the Persian Government with as little delay as possible. M. Isvolsky suggested that the Persian Government might disregard our warning, and what were we to do then? I observed that Russia possessed a right of veto, and that in the event contemplated she might make use of it, but I suggested that, for the moment, it would be well to hold this right in reserve. M. Isvolsky promised that he would consult with the Minister of Finance without loss of time.

His Excellency told me that the German Ambassador here had said nothing further on the subject of the engagement of French financial assistants by the Persian Government, but that the German Minister at Tehran had again spoken to his Russian colleague on the subject.

[8444]

No. 327.

Sir A. Nicolson to Sir Edward Grey.—(Received March 10.)

(No. 87.)
(Telegraphic.) P.

St. Petersburg, March 10, 1910.

SITUATION at Tabreez and Russian troops.

Disquieting news has reached M. Isvolsky from Tabreez. The followers of Bagher and Sattar Khan are said to be contemplating an attack on Russian banks, &c., in conjunction with the fedais from the Caucasus, who are with Ephrem. It is said, moreover, that since November last the Russian force at Tabreez and in the neighbourhood, owing to the return of men whose time with the colours has expired, does not number more than 500 men, this number, including non-combatants, and of these only half are in Tabreez itself. M. Isvolsky, in informing me of the above, showed considerable anxiety lest the unruly element should carry out its threatened attack. I said that it was hard to believe that the fedais would really be venturesome enough to attack Russian troops or Russian establishments. M. Isvolsky seemed to have in his mind the idea that it might perhaps be necessary to reinforce the Russian troops at Tabreez. On my expressing an earnest hope that no such step would be taken, M. Isvolsky replied that the measure would not constitute a reinforcement of the detachment, but would simply be a substitution of new men for those whose time with the colours had expired. I pointed out that the distinction would scarcely be appreciated by the public, and urged that it would be most unfortunate if the Russian

authorities were to undertake any fresh movements of troops at the present moment. I do not know whether I succeeded in convincing M. Isvolsky. I promised to ask what information had reached His Majesty's Government as to the present situation at Tabreez, and whether there was really any reason to fear that overt acts of hostility on the part of the fedais were to be anticipated.

[8447] No. 328.

Sir G. Louther to Sir Edward Grey.—(Received March 10.)

(No. 41.)
(Telegraphic.) P.

Constantinople, March 10, 1910.

PERSIAN Ambassador at Constantinople.

The Persian Ambassador was to-day informed by my Russian colleague and myself of the replies of our Governments respecting the assurances desired, as set forth in your telegram No. 42.

His Excellency thereupon decided to telegraph to Tehran under the circumstances, requesting to have refunded to him the sums, amounting to 10,000*l.*, spent by him in keeping up the embassy here, while demanding to be relieved of his appointment to this post.

[8443] No. 329.

Sir Edward Grey to Sir A. Nicolson.

(No. 121.)
(Telegraphic.) P.

Foreign Office, March 10, 1910.

INTERNATIONAL Syndicate and question of advance to Persia.

I am anxious to be able to reply to Messrs. Samuel as soon as possible, as they are pressing. I hope Minister for Foreign Affairs will not delay to answer (see your telegram No. 86 of to-day).

[7148] No. 330.

Sir Edward Grey to Sir G. Barclay.

(No. 36.)
Sir,

WITH reference to your telegram No. 83 of the 26th ultimo relative to the proposed arrangement between the Persian Government and the Imperial Bank of Persia regarding the importation of silver for coinage, I have to inform you that Sir T. Jackson and Sir G. Mackenzie called at this Office on the 25th, and communicated to Mr. Mallet certain papers referring to this subject, of which copies are enclosed.*

It will be observed that the bank have obtained from the Persian Government permission to coin about 160,000*l.* worth of silver; that the Government intend in future not to grant any more mint contracts, but are ready to appoint the bank to be their agents for the purchase of silver for their account; and that the directors of the bank have approved this proposal, which is advantageous to both parties, and is described as an important and far-reaching commercial transaction.

The Persian Government have also offered the bank the option of purchasing the Crown jewels, but this offer the directors have declined on commercial grounds. The local representatives of the bank consider that if the jewels were thus sold the Persian Government would decline the proposed Anglo-Russian advance of 400,000*l.*

You will also notice that the Persian Government have paid interest on the bank's loans to the amount of 1,900,000 krans.

As regards the question raised in your telegram of communicating with the Russian Government on the subject, I do not think that His Majesty's Government need take the initiative, in view of the fact that the Imperial Bank alone occupies in Persia the position of a State bank, and the contract is only for one year.

* Not printed.

If objection is raised by the Russian Government it will perhaps be possible to find some solution on the expiry of the contract.

I am, &c.
E. GREY.

[8457]

No. 331.

Sir A. Nicolson to Sir Edward Grey.—(Received March 11.)

(No. 128.)
Sir,

St. Petersburg, March 6, 1910.

THE "Golos Moskvi," a Moscow paper which is generally believed to be the organ of M. Alexander Goutchkoff, the Octobrist leader and Member of the Duma for Moscow, has recently published an article entitled, "Defects in our agreement with England."

The article states that, thanks to the agreement, Russia has been unable to take advantage of her influence with the Dalai Lama, and that, in spite of its provisions, the *status quo* in Thibet has been disturbed.

With regard to Afghanistan, the agreement has proved even more unsatisfactory. Great Britain undertook to obtain the consent of the Ameer to a scheme whereby frontier questions of a non-political character should be settled by direct communication between Russian and Afghan officials, but so far Great Britain has done nothing to fulfil this engagement.

As regards Persia, the agreement has not saved Russia from the necessity of expending large sums of money in keeping detachments of troops in that country; were it not for that agreement these troops would be free agents, whereas now they are bound hand and foot and can effect nothing.

Again, Russia has been forced by the agreement into participating in matters from which she would otherwise have held aloof—such as the joint loan to the Persian Government. The article points out that it is naturally most advantageous for England to support the Persian Government, but maintains that it is by no means so for Russia, especially as the new régime in Persia is very hostile to her. Persia will naturally gladly take Russian money, but will give no *quid pro quo*. These "wretched 4,000,000 roubles" cannot save that decaying State, and will only serve to prolong the crisis, the only cure for which is foreign control. Foreign control, it is true, would entail the expenditure of much capital, but then the tone of the negotiations would be very different from that of the *pourparlers* now proceeding at Tehran.

In conclusion, the article acknowledges that the agreement with Great Britain is undoubtedly of great importance, but argues that for Russia to shut her eyes to its defects simply means that she is taking up a poor position in a business arrangement in which her dignity and foreign prestige are at stake.

I have, &c.
A. NICOLSON.

[8503]

No. 332.

Board of Trade to Foreign Office.—(Received March 11.)

Sir,

Board of Trade, Whitehall, March 9, 1910.
I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 24th February with further reference to the question of the provision of guards for the protection of trade on the roads in Southern Persia.

In reply, I am to point out that there appears to be some misconception as to the views of the Board as indicated in their letter of the 14th February. It was not suggested in that letter that a surtax of 10 per cent. on the duties at Bushire alone would suffice to cover more than the cost of carrying out the scheme of Mr. Acting Consul Bill, and the statement made in paragraph 3 of the Board's earlier letter of the 28th December last was expressly based upon that scheme.

Since Sir E. Grey regards Mr. Bill's scheme as superseded by the proposals contained in Sir G. Barclay's telegram of the 6th November last, the Board recognise that the cost of carrying out these proposals could not be met by the imposition of the surtax at Bushire alone, and they concur in Sir E. Grey's view that it would be necessary to arrange for the imposition of the surtax at all the ports in Southern Persia in order to provide the requisite funds for the adoption of these wider proposals.

As therefore Sir E. Grey is of opinion that under all the circumstances Sir G. Barclay's proposals are preferable to the more limited scheme to which the Board's previous letters have referred, they will not press further their objections to the imposition of the surtax at all the ports.

I am to add that, as intimated in the Board's letter of the 14th February, they are inclined to doubt whether any useful purpose would be served by further discussion with interested firms, from whom continued opposition is to be anticipated.

I have, &c.

H. LLEWELLYN SMITH.

[8524]

No. 333.

Sir G. Barclay to Sir Edward Grey.—(Received March 11.)

(No. 100.)

(Telegraphic.) P.

Tehran, March 11, 1910.

WITH reference to your despatch No. 4 and the minute appended by the director-in-chief to the first paragraph of section 10, I have the honour to report that the Minister of Telegraphs has promised to lay the Arabistan agreement before the Medjliss immediately, but before doing so he has asked for the bill of the Central Persian line, which will be needed, he says, in the debate. If, when presenting the bill, we claim the establishment charges to which we are entitled by article 2 of the 1901 agreement, our chances of obtaining a ratification of the agreement will be impaired.

Of course, the Minister of Telegraphs may not repeat his request for the immediate presentation of the bill, in which case I would await the decision with regard to the convention before presenting it, and the establishment charges might accompany it. Supposing, however, that the Minister of Telegraphs should repeat his request, would it not be better to drop the claim and omit the establishment charges? Otherwise, having regard to the present feeling in the Medjliss, I fear the convention would stand little chance of ratification.

The establishment charges claim might of course be presented later, but I fear that our case for the repayment of these charges would be greatly weakened by our failure to present them simultaneously with the other account.

[8523]

No. 334.

Sir G. Barclay to Sir Edward Grey.—(Received March 11.)

(No. 101.)

(Telegraphic.)

Tehran, March 11, 1910.

IN continuation of my telegram No. 81 of the 24th February, I have the honour to report that His Majesty's consul at Ahwaz was confidentially informed on the 26th February by an emissary of the vali of Pusht-i-kuh that he was travelling to Mohammerah in order to try and conclude an agreement against the Bakhtiari with the Sheikh of Mohammerah.

His Majesty's consul adds that the emissary left on the 27th February for Mohammerah.

[8544]

No. 335.

Sir A. Nicolson to Sir Edward Grey.—(Received March 11.)

(No. 88.)

(Telegraphic.) P.

St. Petersburg, March 11, 1910.

SITUATION at Tabreez.

I called on M. Isvolsky to-day at his invitation, and his Excellency said that he wished to tell me that he had had news of a more disquieting character from Tabreez. Details will be given to you by Count Benckendorff. M. Isvolsky has instructed the Russian Minister at Tehran by telegraph to urge the Persian Government to lose no time in taking steps for the immediate subjugation of Sattar and Bagher Khans, and to say that if this is not done measures will have to be taken by the Russian Government themselves.

A battalion of infantry and a sotnia of Cossacks have been sent by the Viceroy of the Caucasus to Julfa, and will be held in readiness there.

In view of the fact that there seem to be real grounds for disquietude, and especially as the Persian Government have been invited to establish order themselves, I did not consider that I should be justified in offering any observations.

[8608]

No. 336.

Sir Edward Grey to Sir G. Barclay.

(No. 50.)

(Telegraphic.) P.

Foreign Office, March 11, 1910.

RUSSIAN troops at Tabreez.

Count Benckendorff called to-day and made communication as follows:—

(R.) According to information received from Tabreez, an agitation against the Russian troops is in progress. Many audacious sorties have been directed against the detachment there by the fedais and by Sattar and Bagher.

The local authorities act without energy, and an open collision is to be anticipated.

The detachment, which, since the recall of the reservists in November, is reduced to 500 men, may be no longer strong enough to protect the Russian institutions scattered about the district, and has as its adversaries especially the 2,500 followers of Sattar and Bagher.

The Imperial Government had already called the attention of the Shah's Government to the necessity of taking energetic measures to put a stop to these proceedings and to eventual disturbances by disarming the bands of Sattar and Bagher and expelling these latter from Tabreez by Government troops.

Nothing has, however, been done.

As this situation seems to the Government very dangerous for its detachment of occupation, it instructs M. Poklewski to ask the Persian Government to take without delay the above-mentioned measures.

In case of refusal, a battalion of infantry with two guns and a sotnia of Cossacks are to cross the frontier to reinforce the detachment at Tabreez.

The Imperial Government would nevertheless be extremely desirous of avoiding all military action, and expresses the hope that the Persian Government will succeed in disarming the forces of Sattar and Bagher.

M. Isvolsky hopes that the British Government will be good enough to instruct its representative at Tehran to support M. Poklewski's action in this sense. (End of R.)

In reply I promised that M. Poklewski should receive support as desired, but that I thought that to send a fresh contingent of troops would produce a very unfavourable impression, and that it seemed to me impossible that Sattar or Bagher khans could or would dare to attack Russian troops at Tabreez. I laid stress on the advisability of simultaneous withdrawal of Kazvin detachment if Tabreez force were increased as a means of counteracting this bad impression.

[8630]

No. 337.

Persian Transport Company to Foreign Office.—(Received March 12.)

3, Salter's Hall Court, Cannon Street, London,
March 11, 1910.

Sir,

WITH reference to our letter of the 25th October last, on the subject of repairs to the Godar Bridge on the Ahwaz-Ispahan road, I have the honour to enclose herewith, for your information, copy of an advice to our Tehran agent on this matter, together with copies of enclosures therein referred to.

I have, &c.

H. W. MACLEAN, Secretary.

Enclosure 1 in No. 337.

Persian Transport Company to their Tehran Agent.

London, March 10, 1910.

WE send you herewith a report on the Godar Bridge, covering Mr. Sotham's report of his inspection in December last, and other papers. Please communicate this report to the representatives of the Bakhtiari chiefs in Tehran, and request them to take the necessary steps to secure the safety of the bridge.

Please also hand a copy to His Majesty's Minister in Tehran for his information, pointing out that for some time past the Ahwaz-Ispahan road has been the only reliable means of communication between Tehran and the Persian Gulf, and that, therefore, it is of general importance that the Godar Bridge should not be neglected. We trust that His Majesty's Legation will find it desirable, should opportunity serve, to urge the chiefs to give effect to the advice of our engineers.

It is natural to suppose that the chiefs will apply to us to suggest the means by which the necessary funds for this work can be obtained. On this point we beg to refer you to the enclosed memorandum on the Ahwaz-Ispahan road, which expresses our views upon this point, and which you can communicate to, and freely discuss with, the chiefs if desirable. We have stated 12 per cent. as the rate of interest to be charged on the proposed new loan. For your guidance, we may say that if the matter were satisfactorily arranged in other respects, we might, on your recommendation, be prepared to reduce this rate to 9 per cent. Kindly hand a copy of this memorandum also to His Majesty's Minister in Tehran, in order that he may be fully in possession of our views on the subject. At the same time, please mention to him that we have not lost sight of the correspondence with the Foreign Office, consisting of their letters to us of the 4th May and the 14th October, 1909, and our reply of the 25th October, 1909, of which copies were duly sent you.

In this connection it will be noted that Mr. Sotham and Mr. Humphreys differs from Messrs. De Bergue and Mr. Wells in regard to rocker plates and wind pressure. Messrs. De Bergue and Mr. Wells believed that flat plates would afford sufficient sliding movement to accommodate contraction and expansion of the cable, and they decided, after careful consideration, that the bridge did not require lateral bracing against wind pressure. Mr. Sotham, after examination of the bridge *in situ* after ten years' service, and after consultation with Mr. Humphreys, has decided in the contrary sense on both these points, and we have no alternative but to follow his advice. That cannot in any way contravene the statement that we were equally bound to accept the advice of Mr. Wells and Messrs. De Bergue at the time of the construction of the bridge.

We are, of course, sending copies of this correspondence to our Ahwaz agent for his information, and for that of His Majesty's vice-consul at that place. We shall be glad to learn from you at the earliest possible moment what steps the chiefs are prepared to take.

Please mention to His Majesty's Legation that we have sent a copy of this advice and enclosures, to the Foreign Office for their information.

Enclosure 2 in No. 337.

Report by Persian Transport Company respecting the Godar Bridge.

OUR road engineer, Mr. Bernard Sotham, arrived in London at the end of December, 1909, after examining the Godar Bridge, and has since handed us the following papers, of which copies are annexed hereto:—

Report of Mr. Sotham, dated the 2nd January, 1910.

Opinion of Mr. H. Humphreys, consulting engineer, dated the 12th January, 1910.

Further opinion of Mr. Sotham, dated the 17th February, 1910.

Estimate of cost and repairs.

A study of these papers will show that the bridge is in urgent need of repairs. The recommendations of our engineers comprise three operations:—

(a.) To introduce rockers under the saddles on which the cables of the bridge rest.

(b.) To brace the bridge against wind pressure by steel wire ropes from the bridge to the sides of the gorge.

(c.) To correct the alignment of the bridge, which has dropped about 14 inches in the centre through stretching of the suspension cables.

Our estimate of the probable cost of all these repairs is 51,720 krans (about 960*l.*)

We have gone carefully into the matter, but find no means of reducing this estimate. It had been suggested to us to substitute iron piers for the present masonry piers. The original cost of these iron piers would not be great, but we found that the additional cost of providing all the material necessary to support the suspension cables, whilst the new piers were being substituted for the old ones, makes the total cost of this operation prohibitive.

The estimate includes heavy charges for skilled labour and engineers' expenses. It is hoped that the chiefs will understand that the insertion of rockers under cables carrying the whole weight of the bridge, and the alteration of all the suspension rods in order to readjust the strain on the different parts of the structure, are delicate operations which it would be imprudent to entrust to any but skilled workmen under expert supervision.

The only course open to us, then, is to recommend the chiefs to adopt the proposals submitted by Mr. Sotham and the consulting engineer, Mr. Humphreys.

We have already explained to the chiefs that we will not offer to do the work for a fixed sum. We offer only to do the work for their account and risk to the best of our ability. We do not expect it will cost more than the 51,720 krans we have estimated, and we will be very much pleased if it costs less; but as it is also agreed that we must not spend without consent of the chiefs more than the sum authorised by them, we think a margin for contingencies is desirable. We therefore ask the chiefs to provide for an expenditure not exceeding 60,000 krans for carrying out this work.

London, February 1910.

Enclosure 3 in No. 337.

Mr. Sotham to Persian Transport Company.

Dear Sirs,

I FOUND the Godar Bridge to be in the following condition:—

Piers.—The Tehran pier shows fresh signs of disturbance. Cracks varying from one-eighth of an inch to three-sixteenths of an inch can be traced almost down to the foundations.

The Ahwaz pier also shows signs of disturbance. Cracks are showing similarly to the Tehran pier, but they are not so large or plentiful as on the Tehran pier.

Both piers are well constructed of first-class material.

Rockers.—There are no rockers on either pier. The cables are carried by saddles as per plans of the makers of bridge. These saddles do not carry out the functions of rockers, they do not slide backwards and forwards with the expansion and contraction of the cables. It should be noted that the saddles on the Ahwaz pier are built in flush with the masonry.

The Bridge.—I took levels across the roadway of bridge and found the bridge to be sagging 8 inches in the centre.

Foundations.—The foundations of both piers are sound.*Rivets, Bolts, &c.*—These are all sound. They show no sign of weakness.*Paint.*—In good condition.

Road Material.—The floor plates are showing at both entrances to bridge, the material having worn or been blown away.

Cable Anchorages.—The left hand cable on Tehran side seems to have twisted slightly at entrance to anchorage. The masonry appears to have been cracked by a tendency of the cable to "pull out." It is impossible to say if any movement really has taken place, it might have been constructed like this.

Stores.—I found the stores at bridge to be intact under the charge of a native caretaker.

I consider the piers are being pulled backwards and forwards by the expansion and contraction of the cables. I consider that if proper rockers were provided

they would at once stop this. I do not consider the piers to be too much damaged to carry the rockers. I do not consider it necessary to replace them with steel girder piers.

Referring now to the sagging in centre of bridge. This is extremely dangerous. The actual distance of the sagging which I measured (*i.e.*, 8 inches), probably does not signify the total distance which the bridge has dropped. Suspension bridges are usually built with their girders pulled up about 6 or 8 inches higher in the centre of bridge than the true floor level. This is to allow for any sagging which may occur and to prevent any undue displacement of the catenary curve formed by the cable. The actual sagging which I measured (*i.e.* 8 inches below road level), would probably denote a total sagging of about 14 inches. There is a great danger in the main girders in centre of bridge buckling, particularly as they are so frail and light. The expansion and contraction of cables would have no effect upon this.

Wind Bracing.—I consider wind-bracing to be absolutely necessary in order to prevent upward lifting of the floor, I do not think it is necessary to wind brace the bridge laterally.

I have carefully considered your consulting engineer's (Mr. Howard Humphrey's) proposals for repairing the bridge, and do not think you could do better than to carry them out.

I consider the bridge to be in a very dangerous condition, and would advise that you repair it as soon as possible.

Yours faithfully,
BERNARD SOTHAM.

Enclosure 4 in No. 337.

Mr. Humphreys to Persian Transport Company.

Victoria Mansions, 28, Victoria Street, Westminster,
January 12, 1910.

Gentlemen,

I HAVE seen Mr. Sotham with regard to this matter, and he has brought two or three fresh facts to my notice. The most important being the sagging of the bridge in the centre. This is a matter which should be put right, otherwise the lattice side girder will be bound to become more distorted and buckle sideways. The extra expenditure on this will be quite insignificant, and will add materially to the life of the bridge.

Mr. Sotham has taken careful levels, and he finds that the centre of the girder is approximately 8 inches below the ends. As the bridge was originally built with a centre about 6 inches above the horizontal, it follows that it has dropped 14 inches.

Mr. Sotham does not consider that the anchorages have moved, and it therefore looks as though the bridge has at some time either had a heavy concentrated weight upon it or alternately it may have damaged itself by reason of the fact that it has no sway bracing.

With regard to the piers, I think we have devised a very cheap way of checking any further movement. Fortunately Mr. Sotham's examination of the foundations has led him to the conclusion that there have been no settlements, and I therefore think that the various proposals which I made in my original report to you on the 30th March, 1908, will be sufficient to put matters right.

I am, &c.
H. HOWARD HUMPHREYS.

Enclosure 5 in No. 337.

Mr. Sotham to Persian Transport Company.

Dear Sirs,
Oxford, February 17, 1910.
FOLLOWING upon my previous reports *re* the Godar Bridge, I send you this supplementary letter.

The real point appears to me to be, "Are the cables strong enough to withstand the cannoning about of the bridge in a violent wind?"

I consider the cables are amply strong enough to carry a load of 80 tons equally

distributed. I consider that the cables have stretched, and will go on stretching to their elastic limit if they have the bridge swaying about as it evidently is at the present time. If this is so, then the tail cables must also have stretched and accentuated the damage to the piers. It is, of course, very difficult to prove up to the hilt that the cables have stretched, but if one assumes that the erector who put up the bridge had ordinary common sense, and built the deck with a camber (and I cannot believe that he did otherwise), it seems to me that there can be no doubt at all as to the stretching.

If the bridge was built to a proper camber, and if the cables have not stretched, then the only other alternative to account for the sagging is that the anchorages have drawn, and if the anchorages had in fact drawn an amount equal to that required to account for present sag, then, in my opinion, the bridge would now be lying at the bottom of the gorge.

I cannot advise you otherwise than to carry out the repairs which I have put before you. I believe that they will preserve the bridge.

I am, &c.
BERNARD SOTHAM

Enclosure 6 in No. 337.

ESTIMATE of Cost of Repairs to Godar Bridge.

| | £ s. d. |
|--|----------|
| Estimated cost of material for rocker gear and strengthening of piers .. | 173 10 9 |
| Estimated cost of material for wind bracing of bridge .. | 122 2 9 |
| Estimated cost of material to correct sagging of bridge .. | 51 18 0 |
| Paint.. | 50 0 0 |
| Tools.. | 25 0 0 |
| | <hr/> |
| Packing, freight and insurance to Ahwaz .. | 422 11 6 |
| | 60 0 0 |
| | <hr/> |
| Total | 482 11 6 |
| | <hr/> |
| At 54 krans per 1 <i>l.</i> equals .. | Krans. |
| Transport, Ahwaz to Godar, 10 tons = 1,723 māns at 3 krans per mān .. | 26,059 |
| Labour, per Mr. Sotham's estimate .. | 5,169 |
| Cost of passages, three skilled mechanics from Bombay to Ahwaz and back, 540 rupees at 3½ .. | 12,702 |
| Engineer's salary, three months at 54 .. | 1,890 |
| Cost of journey, Ahwaz to Godar and back, of skilled mechanics and baggage .. | 5,400 |
| | 500 |
| Total | 51,720 |

London, February 1910.

Enclosure 7 in No. 337.

Mr. Sotham to Persian Transport Company.

Dear Sirs,

I ENCLOSE a detailed estimate of materials required for repairing the Godar Bridge.

The estimate is for all materials required for wind bracing, bracing of piers, correction of sag, and the amount comes to 347*l.* 11*s.* 6*d.* This is a good deal over the original estimate, but, of course, it includes a great deal of work which was not originally contemplated, that is to say, bracing of piers and correction of sag.

To the amount of 347*l.* we must add 5 per cent. packing charges and, say, 25*l.* for temporary tools, bringing the amount up to about 390*l.*

Skilled Labour.—An English erector will be necessary, and such a man can be found for a wage of 14*l.* a-month and camp expenses.

An Indian fitter and smith will be necessary; these would require 150 rupees a-month and camp allowance.

Oxford, January 23, 1910.

LABOUR ESTIMATE.

| | £ |
|--|---------------|
| Erector at 14 <i>l.</i> per month, four months to include travelling time | 56 |
| A fitter and smith, at 150 rupees each per month, three months = 900 rupees at 1 <i>s. 4d.</i> | 60 |
| Three month's camp allowance to above three men at 2 <i>s.</i> per day, three months | 27 |
| Total | 143 |
| | Krangs. |
| 143 <i>l.</i> at 54 krangs to 1 <i>l.</i> , equals | 7,722 |
| 12 labourers for sixty days at 2 <i>½</i> krangs per day | 1,800 |
| 1 mason for sixty days at 8 krangs per day | 480 |
| Cost of sending down water skins, tents, mason, and other sundries from Ispahan, five mules for 5 krangs per day, ten days | 250 |
| Cost of engineer's journey from Tehran to Ahwaz, and back to Tehran | 1,000 |
| Engineer's servant, three months | 300 |
| Add 10 per cent. for extra contingencies | 1.150 |
| Total | 12,702 |

Items not Estimated for.—Engineer's salary, travelling fares of the three skilled workmen, and cost of transport of materials London—Ahwaz.

Total weight of materials is approximately 10 tons.

Yours faithfully,

BERNARD SOTHAM.

Enclosure 8 in No. 337.

Memorandum on the Ahwaz—Ispahan Road.

WE have reported to the Bakhtiari chiefs that the Godar Bridge urgently needs costly repairs. The chiefs may desire to raise the necessary funds on the security of the road. We are prepared to find money in this manner if the chiefs will agree to certain measures to benefit the traffic from which the road revenues are derived.

Mr. Sotham, in his report dated the 26th January, of which a copy is annexed hereto, has drawn attention to the most important of these matters. In the first place, the track in several places needs repair. He thinks that a sum of 12,000 krangs to 15,000 krangs might suffice to remove the most serious defects. He points out that if an engineer be engaged to repair the bridge, it is very desirable that repairs to the track be undertaken at the same time in order that they may be effected under his general supervision. The second point to which he draws attention is the lack of caravanserais or other suitable accommodation at certain stations. The lack of accommodation at these stations exposes men and animals to the full rigour of the winter season, and this must certainly have considerable effect in deterring caravans from frequenting the road in the winter. We consider it most important that some sort of shelter should be provided at every station. His third important point is the exorbitant prices charged for grain and fodder on the road. This is a result of the monopoly exercised at certain stations, or, at any rate, is a result of the absence of any effort to provide stores of provisions at reasonable rates. The remedy we think is to establish magazines for the supply of grain and fodder for charvadars at cost price at those stations where there is no competition to keep the prices down to a fair level.

The last point to which we should like to draw particular attention is that in questions relating to the upkeep of the road, or other matters connected with it, it is extremely inconvenient and leads to long delay when we have to make arrangements with all the chiefs interested. It is very desirable that the chiefs should agree amongst themselves to appoint from time to time one representative with full powers to deal with us on such questions.

The pressing demands that we have to make on the Bakhtiari chiefs may be summed up as follows:—

(a.) The repair of the Godar Bridge, at a cost estimated not to exceed 6,000 tomans.

- (b.) Repair of the track, estimated at about 1,500 tomans.
- (c.) Provision of further monies for building caravanserais.
- (d.) Arrangements of such a nature that charvadars frequenting the track may be able to secure supplies at reasonable prices.
- (e.) An arrangement with the chiefs to appoint one representative to deal with us in all ordinary matters connected with the road.

We are prepared to find for the chiefs, for these purposes, a loan of 100,000 krangs at 12 per cent. interest per annum. This loan can be made repayable in fifteen annual instalments so that the instalments would be payable concurrently with and terminable at the same time as the remaining instalments of the original loan for construction. The instalment and interest due on this new loan at the end of the first year would be 18,667 krangs making a total amortisement in that year for the service of the two loans of about 42,000 krangs. We observe that the tolls have averaged of late about 140,000 krangs per annum, and in one year they were so much as 170,000 krangs. The new loan then would not be any serious burden on the chiefs, and if the track is improved and a few additional caravanserais put up we fully believe that the present activity in traffic on the road will be fully maintained and that the chiefs are likely, despite the increased charges, to continue to have as good revenues as formerly, perhaps even better revenues than before.

Our agreement with the chiefs for this loan would further provide:—

(a.) The proceeds of the loan would be devoted by us in the first place to repairs to the Godar Bridge not exceeding 6,000 tomans; in the second place to repairs to the track not exceeding 1,500 tomans; and, thirdly, the balance would be devoted by us to the erection of caravanserais or enclosures at places where adequate shelter does not already exist for caravans.

It would be distinctly understood that particulars of all this expenditure would be submitted for the approval of the chiefs, and would be under their supervision if desired.

(b.) The tolls, instead of being farmed out, should be collected by us for account of the chiefs; the toll collectors being our employees. The chiefs can of course also have a man to keep check for them if they desire, and in any case would supply one or more guards as necessary to enforce payment of the tolls due. The toll collectors and guards would be paid out of revenues collected.

(c.) The net revenues collected on account of the chiefs would be appropriated as follows:—

1. To payment of the instalments and interest on the two loans.
2. To provide a sum of 10,000 krangs for absolutely essential repairs.
3. To pay any balance not exceeding 100,000 krangs to the chiefs.
4. In any year in which 100,000 krangs have been paid to the chiefs, as per No. 3, then any further balance up to 10,000 krangs is to be set aside for repairs and improvement of the track.

5. In any year when there is a balance beyond 10,000 krangs, as per No. 4, then such balance, after deduction of 5 per cent. commission to us on the revenues collected for the year, shall be paid to the chiefs.

N.B.—It would be distinctly understood that the sums allotted in Nos. 2 and 4 for repairs and improvements would be only expended with the consent of the chiefs, and if in excess of the amount required for such purpose, the difference would be paid over to the chiefs as revenue.

(d.) That a definite rent for the caravanserai (including ample camping ground) at each station shall now be fixed, and that no lessee shall be required to pay more than such rent, whether in the form of rent or premium, but shall be required to sell forage at prices to be agreed from time to time between the chiefs and ourselves.

(e.) That the chiefs should appoint one representative, with full powers, to deal with our agents in all matters connected with the current affairs of the road.

London, March 8, 1910.

Enclosure 9 in No. 337.

Report by Mr. Sotham on the Baktiari Road.

General Conditions of Track.—From Ispahan to Shallamsar the track is in very fair condition. It is washed away in places, and obviously no attempt has been made to keep it in order. Descending from the mountains to Ardal (a descent of about 5,000 feet) the track is bad and very difficult to negotiate. The first mile and a-half is the worst portion. I noted that a sort of flood stream had made its course right down the centre of the track. It has made large holes in the road and filled it with boulders and refuse. This fault could easily be corrected. From Ardal to Toploon the track descends about another 3,000 feet to river, but such as it is it is good, but terribly steep and difficult to negotiate. Onwards to Sarkum the road badly needs clearing of refuse and boulders, which block up the track in many places. From the bridge at Amarat the track ascends very steeply to a height of about 5,000 feet. The track is very narrow, very steep, and full of loose material. It is almost impossible for two caravans to pass; if they do meet, confusion and fighting takes place. I consider the track here should be widened about 2 feet throughout.

From here onwards to Malimeer and Ahwaz the track is in fair condition, though the whole distance should be cleared of loose boulders. Wherever the track became narrow, steep, and difficult to negotiate, I found it always full of loose boulders and refuse.

Caravanserais.—The caravanserais at Doploon, Sarkum, Shehleigh, and Deh Diz were in ruins. Caravans were encamping somewhere in the neighbourhood of the caravanserais, in order to be able to purchase fodder for their animals from a man who kept a small corner in these caravanserais, more or less in repair, for storing his grain, &c. I do not think caravanserais are necessary, for at many stations there were 600 or 700 animals encamped for the night, no caravanserais could hold such a number of animals. I think some sort of large shed should be provided in which charvadars' goods could be placed for the night during bad weather. Their animals could always be picketed outside. I also noted that the men in these caravanserais charged exorbitant prices for grain and fodder, 30 chais a man being the usual figure. Charvadars are obliged to pay whatever is asked. The Bakhtiaris appeared to me to offer no facilities to induce charvadars to use the road. I stayed with several of the khans *en route*, and I received a very courteous welcome. They became very enthusiastic when I mentioned Mr. Lynch's name, and did everything possible for my comfort.

BERNARD SOTHAM.

Oxford, January 26, 1910.

[8647]

No. 338.

Sir G. Barclay to Sir Edward Grey.—(Received March 12.)

(No. 102.)
(Telegraphic.) P.

Tehran March 12, 1910.

WITH regard to telegram No. 87 from Sir A. Nicolson, His Majesty's consul at Tabreez telegraphs as follows:—

"Among certain classes of the population the agitation against the presence of Russian troops has recurred, and the Russian consul is afraid of incidents occurring. In my opinion his fears are not altogether devoid of foundation, and if a portion of the Government troops at present here could remain, it would be well. The Governor-General could then control the situation, as, I believe, the malcontents would not then dare to act openly."

"Moreover, the Governor-General has informed me that he now has hopes that Sattar Khan and Bagher Khan will both leave shortly for the capital."

The Minister of Interior says that the Governor-General disposes of sufficient troops and expects no troubles to occur. He also adds that the two above-mentioned khans are coming to Tehran.

[8648]

No. 339.

Sir G. Barclay to Sir Edward Grey.—(Received March 12.)

(No. 103.)
(Telegraphic.) P.

Tehran March 12, 1910.

REFERRING to my last year's telegram No. 741 and to the despatch from Bushire to the Government of India numbered 195 and dated the 16th January, I beg leave to sanction, for the purpose of the investigations which Lieutenant Wilson proposes to carry out on the Shaur river, retention of four sowars.

The Government of India are, I understand, recommending that these men be retained at Mohammerah as consulate escort.

[8653]

No. 340.

Sir A. Nicolson to Sir Edward Grey.—(Received March 12.)

(No. 89.)
(Telegraphic.) P.

St. Petersburg, March 12, 1910.

YOUR telegram No. 118 of the 8th March: International syndicate's proposal to Messrs. Samuel for a loan to Persian Government,

I was informed last night by M. Isvolsky that your views were shared both by himself and by the Minister of Finance. His Excellency said that the Russian Minister at Tehran had been instructed to join with his British colleague in warning the Persian Government, as suggested in your telegram No. 118

[8731]

No. 341.

Sir A. Nicolson to Sir Edward Grey.—(Received March 12.)

(No. 90.)
(Telegraphic.) P.

St. Petersburg, March 12, 1910.

ATTITUDE of Germany towards Persian affairs.

A communication has been made to M. Isvolsky by the German Ambassador with regard to the proposal that the Persian Government should engage French assistants. I am told by M. Isvolsky that the communication was to the effect that Germany refused to recognise the concession to third parties of any monopoly, and that, while she recognised that Russia and Great Britain had special interests and rights in Persia, yet she considered that a fair and open field should be given to Germany in that country.

The dispatch by the Deutsche Bank of an expert agent to Tehran was also mentioned in the communication, which stated moreover that an examination of the Bagdad-Khanikin line would form part of the expert's duties. Reference was made by Count de Pourtalis to the discussion as to the Bagdad Railway which had taken place on a former occasion between the Governments of Russia and Germany, a discussion which Russia herself had interrupted.

The communication generally seems to aim at stating Germany's claim to participate in all matters connected with Persia in which no exclusive rights or privileges are held by Great Britain and Russia, and M. Isvolsky thinks moreover that it is intended to intimate that the Anglo-Russian convention is not recognised by Germany. It seems significant that the Bagdad Railway should have been mixed up with the question.

No written communication was left with M. Isvolsky, but it seems probable that Count de Pourtalis will send one later on.

I pointed out to M. Isvolsky the similarity of the line which Germany was now taking to that which she had adopted with France on a previous occasion in connection with the Anglo-French convention.

I hope in a day or two to see M. Isvolsky again, and to have further conversation with his Excellency on this matter.

[8665]

No. 342.

Sir A. Nicolson to Sir Edward Grey.—(Received March 12.)

(No. 91.)

(Telegraphic.) P.

ADVANCE to Persian Government.

I have just received a memorandum in writing from the Russian Government on the subject of the international syndicate and the Persian advance. The memorandum observes *inter alia* that the Russian Government is unable to permit the sources of revenue which are situated in the northern zone of Persia coming under any other control than her own, and further, that the warning to be given by the Russian Minister in Tehran should be based chiefly upon article 14 of the loan contract of 1900, whereby the Persian Government is bound to come to a previous understanding with Russia before taking any steps as regards a foreign loan. With the exception of the above mentioned points the views of the Russian Government are identic with those of His Majesty's Government. Personally I had hoped that the question of veto would not have been used for the moment.

[8653]

No. 343.

Sir Edward Grey to Sir G. Barclay.

(No. 52.)

(Telegraphic.) P.

Foreign Office, March 12, 1910.

INTERNATIONAL Syndicate. Proposed loan to Persia.

A warning in sense indicated in my telegram No. 118 of the 8th March to St. Petersburg (penultimate paragraph) should be addressed to Persian Government. You may join M. Poklewski in doing so.

Reference is to Sir A. Nicolson's telegram No. 89 of the 12th March.

[8318]

No. 344.

Foreign Office to Board of Trade.

(Confidential.)

Sir,

I AM directed by Secretary Sir Edward Grey to enquire confidentially whether the Board of Trade have any information as to the composition and financial standing of a company known as "The International Oriental Syndicate (Limited)," trading at 15, Angel Court, Throgmorton Street, E.C., and as to the financial position of two gentlemen named J. Woolf (a second lieutenant in the City of London Yeomanry) and Osborne, who have lately visited Tehran ostensibly for purposes of sport, but really on business connected with the syndicate.

Sir E. Grey would be glad to learn, amongst other particulars, whether the syndicate is registered in this country as a British enterprise.

I am to add that Mr. Woolf left for England on the 5th ultimo, leaving behind him Mr. Osborne, who appears to be still at Tehran.

I am, &c.

LOUIS MALLET.

[8318]

No. 345.

Foreign Office to Director of Military Operations.

(Confidential.)

THE Under-Secretary of State for Foreign Affairs presents his compliments to the Director of Military Operations, and is directed by Secretary Sir Edward Grey to enquire, with reference to the letter of the 16th ultimo from this office to Sir G. Barclay's telegram No. 98 of the 9th instant and to previous correspondence, whether anything is known respecting Second Lieutenant J. Woolf, of the City of London Yeomanry, who has lately visited Tehran. It is reported that Lieutenant Woolf is

connected with a company known as the International Oriental Syndicate (Limited), and that his visit to Persia was made with reference to an endeavour on the part of this syndicate to obtain the option of making a loan to the Persian Government.

Foreign Office, March 12, 1910.

[7687]

No. 346.

Foreign Office to Anglo-Persian Oil Company.

Sir,

I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 4th instant relative to the desire of your company to place a launch and barges on the Upper Karun for the transport of material for use in connection with the exploitation of their oil-fields.

I am to inform you, in reply, that on the 7th instant Sir E. Grey addressed a telegram to His Majesty's Minister at Tehran, setting forth shortly the arguments advanced in your letter, and authorising him to urge them on the Persian Government if he thinks it useful to do so.

Sir G. Barclay answered on the 9th instant that he had been pressing hard for permission for your company to place one launch on the Upper Karun to tow barges, and had assured the Persian Government, on the authority of the company's local agents, that at least for the present only Moin-ut-Tujjar's barges will be used.

Commenting on the expression "additional boats" (in the plural) used at the beginning of the fourth paragraph of your letter under reply, Sir G. Barclay states that he is loth at this stage to increase his demand, and trusts that the company will content themselves for the present with what their local agents have mentioned as their requirements.

I am to express the hope that the company may see their way to give effect to Sir G. Barclay's wishes in this matter, which are endorsed by Sir E. Grey.

I am, &c.

LOUIS MALLET.

[8653]

No. 347.

Foreign Office to Messrs. M. Samuel and Co.

Gentlemen,

WITH reference to the communication made by you at this Office on the 8th instant relative to the offer made to your firm by the International Oriental Syndicate (Limited) of the option of making a loan to the Persian Government on certain security, I am directed by Secretary Sir Edward Grey to inform you that His Majesty's and the Russian Ministers at Tehran have received instructions to warn the Persian Government that so long as the question of a joint advance by the two Governments is under consideration, and so long as the Persian Government are in arrears in their payments to His Majesty's and the Russian Governments and to the Imperial Bank of Persia and the Russian bank, they cannot agree to the hypothecation of sources of public revenue to any other advances.

I am, &c.

LOUIS MALLET.

[8661]

No. 348.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 104.)

(Telegraphic.) P.

Tehran, March 13, 1910.

WITH reference to your telegram No. 50 of the 11th March, I have the honour to report that I have presented a note to the Persian Government, supporting the demand of my Russian colleague, requesting that Sattar Khan and Bagher Khan should be expelled from Tabreez, and that their adherents should be disarmed.

[1704]

[8662]

No. 349.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 105.)

(Telegraphic.) P.

Tehran, March 13, 1910.

WITH regard to your telegram No. 50 of the 11th March, I have received reports from His Majesty's consul at Tabreez, asserting that no rumour of the intended attack on the Russian bank in that town has reached him, and to the best of his knowledge no collision between Russian troops and the followers of Sattar and Bagher Khans is expected. Quiet prevails in the town, and, owing to the necessary measures having been taken by the Governor-General, the popular agitation against the presence of Russian troops has seemingly subsided.

His Majesty's consul, nevertheless, while expressing his belief that the situation has been greatly exaggerated, emphasises the fact that Sattar and Bagher Khans should be removed from the town, for while this is still unaccomplished it cannot be expected that peace and order will prevail.

[8663]

No. 350.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 106.)

(Telegraphic.) P.

Tehran, March 13, 1910.

WITH reference to my telegram No. 105 of to-day, M. Poklewski informs me that the detachment destined for the reinforcement of the Russian troops in Tabreez has left Tiflis, and that the Caucasus authorities report that it must go direct to Tabreez, as it cannot remain at Julfa.

In reply to this the Russian Government has insisted that, without further instructions, the detachment must not cross the frontier.

I have informed my colleague that the reports from His Majesty's consul at Tabreez were reassuring; that there was now no agitation against the Russian troops; and that quiet reigned in the town.

[8664]

No. 351.

Sir G. Barclay to Sir Edward Grey.—(Received March 13.)

(No. 107.)

(Telegraphic.) P.

Tehran, March 13, 1910.

IN my telegram No. 106 of to-day's date I mentioned the dispatch from Tiflis of a reinforcing detachment for Tabreez, and also that His Majesty's consul there reported that quiet prevailed. A later telegram from Mr. Shipley now states, with reference to this reinforcement, that it cannot fail to produce the worst impression possible on the population of that town, and to increase their suspicions of the objects they ascribe to Russia.

Any attempt, he adds, to disarm the adherents of Sattar and Bagher whilst these two khans remain in the town will in all probability be the cause of a serious disturbance.

I am informing M. Poklewski of the sense of Mr. Shipley's telegram, and am urging him not to insist on the disarmament of the fedai at least until the Persian Government have failed to induce Sattar and Bagher Khans to leave in peace.

[8745]

No. 352.

Sir A. Nicolson to Sir Edward Grey.—(Received March 13.)

(No. 92.)

(Telegraphic.) P.

MY telegram No. 90 of the 11th March.

Attitude of Germany towards Persian affairs.

The German communication has now been sent in in writing, and this afternoon it was read to me by M. Isvolsky. It is stiff and reproachful in tone, and takes credit for the reserve which Germany has observed up to now with regard to Persian affairs.

It intimates that Russia, in her wish to introduce French officials into an important department of the administration of Persia, is not reciprocating the attitude of Germany. It goes on to say that, as Germany had taken no part in the Anglo-Russian agreement, her hands were therefore free. The statement contained in my telegram No. 90—that the rights and privileges of Russia and Great Britain would not be touched by Germany's freedom of action—was erroneous. The memorandum alludes generally to the special interests of Russia and Great Britain in Persia, but, so far as I can recollect from hearing it read to-day, it contains nothing so satisfactory as the assurance indicated above. It declares that Russia was responsible for breaking off the previous negotiations on the Bagdad Railway question in insisting that the conversation should be *à quatre*, when Germany had declared that such a condition was inadmissible.

Count Benckendorff will doubtless be enabled to give you a fuller account of the contents of the document. It was only read to me once, and I am therefore unwilling to attempt to give a summary of it. But from the reading to-day it was made even more clear to me than yesterday how similar the line adopted by Germany in the present case is to that which she followed with France in the matter of the Anglo-French Convention regarding Morocco.

Germany's action is regarded very seriously by M. Isvolsky, who thinks it very likely that the Deutsche Bank's agent may offer an advance to Persia, or obtain a concession for a railway from Khanikin into Persian territory. Persia's engagement that no railway shall be constructed in Persia without Russian consent expires in four weeks from now, at the end of the Russian March. M. Isvolsky points out that a pretext for German interference has been afforded by the question of the seven French assistants, and he now regrets that that question was ever raised.

He would like to know whether a similar step has been taken in London by the German Government. I said that the probable object of Germany was to make difficulties between Russia and Great Britain, both as to Persia and as to the Bagdad Railway, and it was therefore quite possible that no action had been taken in London. Germany was playing over again her old game of 1905. I observed that the position seemed to me an untenable one—that a third Power should wish to hamper the other two, who, in their efforts to set the Persian Government on its legs, were bearing the brunt of the difficulties, while she herself during all this troublous time had borne no share of the grave responsibilities, and had no interests worth speaking of in Persia. M. Isvolsky said that no concessions of any kind must be given to Germany, and that pressure must be exercised at Tehran to that end. I replied that I feared that if Germany made any offers, the Medjliss would only be too ready to accept them. Such offers would certainly be of a very tempting nature, and very few guarantees, if any, would be asked. Our proposals with regard to a joint advance were not meeting with an encouraging reception from the Persians.

[8523]

No. 353.

Sir Edward Grey to Sir G. Barclay.

(No. 53.)

(Telegraphic.) P.

Foreign Office, March 13, 1910.

SHEIKH of Mohammerah and Vali of Pusht-i-Kuh.

With reference to your telegram No. 101 of the 11th March. I think His Majesty's consul at Mohammerah had better be told to warn the sheikh not to intrigue against the Bakhtiari with the Vali of Pusht-i-Kuh.

[8670]

No. 354.

Sir G. Barclay to Sir Edward Grey.—(Received March 14.)

(No. 20.)

Sir,

I HAVE the honour to transmit herewith copy of a despatch which I have just received from His Majesty's acting consul-general at Tabreez, recording reports that have been current as to the proposed immigration of Hamidieh Kurds into the neighbourhood of Maku.

Tehran, February 16, 1910.

I am sending a copy of Mr. Smart's despatch to His Majesty's Ambassador at Constantinople.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 354.

Acting Consul-General Smart to Sir G. Louther.

(No. 8.)
Sir,

WITH reference to my telegram No. 9 of to-day's date, I have the honour to enclose herewith copy of a letter from the lady in charge of the German orphanage at Khoi to one of the American missionaries at Tabreez.

The director of customs at Tabreez showed me reports from his subordinate at Khoi on the same subject, which were of a less alarmist character. M. Hunnin wrote that several Hamidieh chiefs from Abagha, dissatisfied with the severity of the Young Turk Government, had come to Maku with sixty horsemen to arrange with Ikbal-es-Sultaneh for the settlement of their tribesmen in Maku. According to M. Hunnin, the chiefs had returned to Turkey, with the exception of one who remained with a few horsemen. M. Hunnin made no mention of the settlement of 1,000 Hamidiehs in Kara Aineh, nor of the possibility of a Hamidieh immigration on a large scale.

My Turkish colleague, who, as usual, was very evasive, pretended to have little information on the subject. He said that the Turkish Government was contemplating a general disarmament of the Kurds, and was actually disarming some of the more unruly tribes—possibly the Hamidiehs of Abagha had been affected by these measures. He was under the impression that the Turkish Government had either confiscated the lands of the chiefs, who had gone to Maku, or had given them a fixed time to return under pain of confiscation of their property. He affected to think that the matter was one of small importance to the Turkish Government. With regard to the general disarmament of the Turkish Kurds, he did not believe that this would cause complications, because the Turkish troops posted along the frontier could prevent the tribesmen from crossing into Persia. However, he did not think that the Turkish Government had yet come to any decision on the general question of the disarmament.

The Governor-General read me a letter and telegram from Ikbal-es-Sultaneh to the effect that several Hamidieh chiefs from Abagha, with a few hundred horsemen, had come to Maku to negotiate terms for the settlement of their tribesmen in Maku. The khan was evidently anxious to receive them, and he hinted that, with their help, the Persian Government could recover several places on Persian soil wrongfully seized by the Turks. The Governor-General replied that neither the Hamidieh immigration nor any aggressive measures against the Turks could be allowed. The Hamidieh chiefs should state their grievances against the Turkish Government, and the Persian Foreign Office, if advisable, would try and bring about a reconciliation. Mukhber-es-Sultaneh said that Ikbal-es-Sultaneh had himself telegraphed direct to the Porte in favour of his guests. The Governor-General pointed out to him the impropriety of this step.

My Russian colleague seems to think that the Turks have arranged this visit of the Hamidieh chiefs, and that they are intriguing to get a foothold in Maku. The Khan of Maku, who, in view of his past record, distrusts the intentions of the Constitutional Government towards himself, no doubt hopes to strengthen his semi-independent position by the immigration of the Hamidiehs, and thus to secure himself against any attack from the Persian Government.

In my despatch No. 1 of the 3rd ultimo I stated that the Khan of Maku is more or less under Russian protection. According to Mr. Miller and the Governor-General this is incorrect. The Russians intervened to help him when his relative took refuge in the Russian vice-consulate at Bayazeed last summer, as reported in my telegram No. 176 of the 7th August last, but he is not under their protection. Maku, from its situation, is of capital strategic importance to the Russians, who naturally view with alarm any prospect of Turkish influence predominating there.

The general disarmament of the Kurds in Turkey would probably cause a large immigration into Persia. There seems to be a disposition among Persians to regard this as a not altogether unmixed evil. They hope that the action of the Turkish Government will so alienate the Kurds that the rebellious Persian Kurds, who always rely on Turkish support, will submit to the Persian Government. They also hope that

the accession of strength to Persia by this immigration will induce the Turks to adopt a more reasonable attitude on the frontier question. This view is very shortsighted, for such a large increase in the number of Kurds in Persia will inevitably result in a corresponding increase in the insecurity of Persian Kurdistan. The Persian Government would of course be unable to cope with the situation caused by such an immigration. Mukhber-es-Sultaneh seems to think that the Turkish Kurds could not come in large numbers because the Persian Kurds, from motives of self-interest, would turn them back. However that may be, it seems desirable that the Turkish Government should exercise caution in disarming the Kurds. Of course the disarmament, if decided upon, ought to be carried out on both sides of the frontier at the same time, but it will be a long time before the Persian Government can undertake such a task.

I have, &c.
W. A. SMART.

Enclosure 2 in No. 354.

Fraulein Harnack to Dr. Wilson.

Khoi, January 23, 1910.

Dear Dr. Wilson,

ALLOW me to give you the following information:—

Some weeks ago I heard already that Hamidieh Kurds from the district of Abagha in Turkey wished to settle in Maku. The Turkish Government wants to take their arms, and they are not willing to obey this order. Knowing nothing about the number of those rebels and the particulars, I did not consider this affair as important as it was perhaps already at that time. From Armenians who had worked in Maku and returned from there about a week ago I got the following information. The chief of the Hamidiehs is Hussein Pasha, an enormously rich man. Last fall he sent about 1,000 Kurds to Maku to ask land from the Sardar (Ikbal-es-Sultaneh). The latter gave them the district of Gareni,* and corn for sowing, but on condition that he had to ask permission for their settlement from Tabreez. That Armenian from whom I got my information told me that it was the question of 17,000 houses (families), that means about 70,000 souls, but Mr. Hunnin, the director of the custom-house, knew even of 80,000 men well armed with Mauser guns (I am of course not responsible for those figures). I do not think it probable that the Persian Government would consent to the settlement of still more robbers, that would mean the ruin of the whole province of Adherbeedschan (Azerbaijan). But they seem to be welcome to the Sardar. The Turkish Government does not allow the families to leave the country, but, if at last they would not perhaps as willingly get rid of those robbers as they would miss them unwillingly as payers of taxes, that I am unable to know.† For the Russians it is rather the same if they have these dangerous people as neighbours on their Turkish or on their Persian frontier; some more troublesome people in Persia who would give them the right to interfere would, perhaps, not be unwelcome to them. In case that the Persian Government would not give their consent to the settlement of the Hamidiehs, there remains the danger that the Sardar would find excuses to keep them, and the Persian Government would not be strong enough to drive them away by force. The Sardar himself has the greatest reason to keep them, as they would strengthen his own power enormously. It is only Turkey and Russia who could force him to send away these dangerous guests.

This report was principally meant for your American and the English consul. The Belgian director of the custom-house in Tabreez also knows about it. A copy of my report to our Ambassador in Tehran I sent to our consular agency in Tabreez. If I am mistaken in taking this affair too seriously so much the better. In any case I thought it my duty to inform as many important people as possible.

Yours sincerely,
A. HARNACK,
German Orphanage.

* Qy. Kara Aineh.—W. A. S.

† Some words appear to have been omitted from this sentence, which makes no sense as it stands.—W. A. S.

[8671]

No. 355.

Sir G. Barclay to Sir Edward Grey.—(Received March 14.)

(No. 21.)

Sir,
WITH reference to my despatch No. 193, Confidential, of the 18th October last, I have the honour to transmit herewith copy of an interesting despatch which I have received from His Majesty's acting consul-general on the subject of German activity in the province of Azerbaijan.

I have handed to my Russian colleague, privately and very confidentially, for his personal information, an expurgated copy of Mr. Smart's despatch.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 355.

Acting Consul-General Smart to Sir G. Barclay.

(No. 9.)

Sir,
WITH reference to my despatch No. 31 of the 3rd October last, I have the honour to enclose herewith copies of correspondence with the Board of Trade regarding the firm of Mossig and Schünemann. I did not forward the correspondence sooner because I was under the impression that copies had been sent to you direct by the Board of Trade. I have now reason to suppose that such was not the case, and I hasten to supply the omission. I venture to think that the last paragraph of Count de Salis's letter, taken in conjunction with the interesting passage in the German Foreign Office Estimates regarding the resuscitation of the German consulate at Trebizonde, "an important centre for trade with Eastern Turkey and Northern Persia," justifies the apprehensions I have expressed concerning German designs on Azerbaijan.

Mr. Grünberg, local director of the Austro-Orientalische Gesellschaft, told me that a Persian merchant had asked him to order from Europe a consignment of locks for rifles. In answer to Mr. Grünberg's enquiry as to the utility of these articles, the Persian replied that the natives can make the stocks of rifles, while the Perso-German company here could manufacture the rest, with the exception of the locks; they only needed the locks to be able to turn out rifles at Tabreez. Mr. Grünberg, in spite of the merchant's entreaties, refused to execute the order without a permit from the Persian Government for importation of arms.

Mr. Grünberg also informs me that he received a letter from a well-known Berlin firm asking him for his opinion regarding Mr. Schünemann's reliability, and whether the Perso-German company was able to build small boats for the Urmia Lake, to be worked by motor machinery supplied by the Berlin firm.

On another occasion Mr. Grünberg told me that some Persian merchants brought him a draft contract, in German, for the importation of paper mill machinery. The style of this document was, according to Mr. Grünberg, the regular "corporalstil" affected by Mr. Schünemann.

Mr. Grünberg does not wish his name mentioned as my informant.

About two months ago a certain Lieutenant von Cammer came to Tabreez with Mirza Reza Khan, secretary of the Persian Legation in Berlin. He says he has retired from the German Army on account of ill-health, and that he came to Tabreez because the doctors recommended him to live at high altitudes. He applied to the Governor-General and Sattar Khan for an appointment to train the nationalist army, but his application was emphatically rejected. He seems to be a needy adventurer.

Hase, the German non-commissioned officer with the Government artillery at Ahar, has ordered, through Mr. Schünemann, 2,400 marks' worth of ammunition for the Maxim guns from the Deutsche Waffenfabrik, at Berlin. I have reason to believe that Hase is in telegraphic communication with his legation from Ahar.

The machines in Agha Rahim's Cotton Spinning Factory are now being put up, but progress seems to be very slow. Agha Rahim has made a contract with his German employés, by which they are to supply him with a fixed amount of cotton thread in return for a fixed amount of raw cotton to be furnished by him; they are responsible for the proper working of the machinery. The contract is for six months from the date

on which the factory begins work. As most of the cotton thread imported into Azerbaijan comes from Manchester, Agha Rahim's enterprise is not without special interest for us. Messrs. Sassoun, who import most of the cotton thread here via Bagdad and Hamadan, have authorised their agents at Bagdad to lower the prices 15 per cent. if Agha Rahim's products begin to compete with their cotton imports.

The machinery of the Perso-German Company's factory is still at Batoum, the money for the customs dues not yet being forthcoming. From conversations with the German engineers, I gather that it is proposed to use this factory as a sort of school for educating the benighted Persians in the arts of modern industry. They told me that, owing to the primitive conditions of the people, the demand for foreign goods was much restricted. They hope to create needs by their educative process and then to act as purveyors to these needs. They evidently had grandiose ideas as to the scope of their undertakings.

In my despatch No. 31 of the 3rd October last I made a mistake regarding the relations between the Alleman Company and this factory. This factory belongs to a Perso-German combination, in which the Alleman Company is a partner. The Alleman Company has, besides, its own business, which is that of importers, commission agents, &c. No Persians are associated in the Alleman Company.

My Russian colleague believes, or affects to believe, that the Governor-General has encouraged the Germans to come here, and it must be confessed that he can make out a good case for his belief. Mukhber-es-Saltaneh, Sani-ed-Dowleh, and others hold the monopoly of cotton-thread spinning in all Persia. This syndicate made over its rights, as far as Azerbaijan is concerned, to Agha Rahim, who brought in the Germans. Mukhber-es-Saltaneh declares that the Azerbaijan members in the first Medjlis forced Sani-ed-Dowleh to agree to this transfer. Mukhber-es-Saltaneh asserts that he was not in Tehran at the time, and did not even sign the contract between the syndicate and Agha Rahim.

The Governor-General always talks very sensibly about the folly, from the Persian point of view, of encouraging the Germans, and has given me repeated assurances that he will be no party to such a policy. It is possible, however, that the mere presence of a governor, known to have pro-German sympathies, may encourage Germans to come here without any other inducement. I fear that M. Miller has some justification in saying that we would object in the south to a governor with such pro-German sympathies.

However, it would be foolish to accuse the Governor-General of having created the opportunity for the Germans. That opportunity is a perfectly natural and very favourable one. Most European business men here seem to be of the opinion that Schünemann and his gang are not to be taken seriously. Persians seem to share this opinion. The fact remains, however, that the Russians are only depending on the incapacity of their rival. If the Germans were to send out a few sound traders with capital behind them, they would almost certainly succeed. Mukhber-es-Saltaneh told me frankly that he did not believe the Russians could keep the Germans out. He said that the only way to remove the danger was for the English to step into the breach, which the Russians were unable to defend, and to fight the Germans with their own weapons.

Azerbaijan, the most advanced, populous, and prosperous province of Persia, must sooner or later be developed. The Russians for years have been supreme in the province and have done nothing to develop its resources seriously. I see no reason to hope that they will do anything in the near future. There are not even any European Russian merchants here, but only Caucasians and Armenians, who are Russian subjects. M. Miller says that it is impossible to get European Russians, who make large profits in their own undeveloped country, to come to Persia, where profits are smaller. Under such circumstances, it would be surprising if the Germans, ever hungry for new openings and content with small gains, did not seize the opportunity offered them. Moreover, the Germans know that their task will be much facilitated by the enforced inactivity of the English, their most dangerous rivals, and the Persian aversion to the Russians in Azerbaijan—an aversion which, I fear, is gradually developing into a popular hatred, deep and enduring.

M. Miller seems to treat lightly the German danger, and I suspect that he is intriguing against the Germans now here. But this is a poor way of coping with the situation. The only way to keep the Germans out of Azerbaijan is for some other nation to undertake the industrial development of the province and beat them by fair open competition. I doubt whether anyone cognisant of the colossal business incapacity of the Russians in Persia can be very sanguine of their succeeding in such a task. The

only hope seems to be that Schünemann and Co. will collapse and discredit German enterprise for some time to come.

Meanwhile, pending still further increases, the German colony is already larger than the English colony in Tabreez.

I have, &c.

W. A. SMART.

Enclosure 2 in No. 355.

Board of Trade to Acting Consul-General Smart.

Sir,

Board of Trade, October 19, 1909.
OBSERVING a notice in the "Times" for the 6th August, to the effect that "the German Levant Line and the Compagnie Allemande Mossig et Schünemann of Berlin and Tabreez had established in conjunction a through service to North Persia," I requested the Foreign Office to cause enquiry to be made into the correctness of the report, through His Majesty's Embassy at Berlin; and I now have the pleasure of enclosing, for your information, a copy of the despatch which I have received through the Foreign Office, from His Majesty's representative at Berlin, in reply to my enquiry.

With reference to Count de Salis's despatch, I should be much obliged if you would kindly inform me whether the Compagnie Allemande Mossig and Schünemann grant through bills of lading to Germany, from Tabreez itself; or whether the through rate to Germany begins at the Black Sea port.

Thanking you in anticipation, &c.

THOS. WORTHINGTON.

Enclosure 3 in No. 355.

Sir E. Goschen to Board of Trade.

Sir,

Berlin, September 27, 1909.
ON receipt of your despatch of the 27th ultimo, relative to the alleged establishment of a new German shipping service to North Persia, I asked Mr. Pro-consul Steffen to try and obtain some information on the subject. Mr. Steffen addressed himself direct to the Compagnie Allemande Mossig and Schünemann (9 and 10 Mittelstrasse, Berlin, N.W.), but found them reticent and unwilling to furnish any information. He learnt, however, that the German Levant Line of Hamburg, which is practically dependent upon the Hamburg-American line, had entered into contract with Mossig, Schünemann, and Company to run a through service from Hamburg to North Persia. For the present the service is to be a monthly one, but later the sailings are to take place every three weeks. No information was forthcoming as to how the line would run, or by whom it would be financed.

Further enquiries were then made of the Hamburg-American line through the medium of Mr. S. Bleichroeder, which elicited the information that there was no foundation for the report current in the press respecting the establishment of a new line of steamers. The German Levant line had made arrangement for the issue of "through" bills of lading for goods going to or from Persia via the Black Sea ports, similar to the arrangement in existence for the Mediterranean-Levant line of the North German Lloyd. It was generally expected that the political changes in Persia would bring with them a revival of trade, and the above-mentioned arrangements were made by the German Levant line in order to participate in the prospective trade. The Compagnie Allemande Mossig and Schünemann, of Berlin, has branches in Tabreez and various other Persian towns, and has been entrusted with the agency for the through traffic of the German Levant line. There was, however, no question of the formation of a new company to deal with the through goods traffic.

Enclosure 4 in No. 355.

Acting Consul-General Smart to Board of Trade.

Tabreez, November 24, 1909.

Sir,

IN reply to your letter of the 19th ultimo, I have the honour to inform you that the Compagnie Allemande's business letters, specimen of which I enclose,* bear the legend "Through Bills of Lading to and from the North Persian towns," but from enquiries I have made it appears that they cannot accept goods here for transport to Russia, but only from the Black Sea port. The Russian "Rosiski" Company practically has the monopoly of the transport from Tabreez to Russia, and Messrs. Schünemann and Mossig, as far as I know, have no arrangements at the necessary places to enable them to undertake themselves the transport of goods from Tabreez to the Black Sea ports.

I notice that Count de Salis says in his letter that the company "has branches in Tabreez and various other Persian towns." As far as I know, the company has no branches anywhere in Persia, except at Tabreez. Mr. Schünemann is rather inclined to exaggerate the scope of his undertakings, and his assertions must be taken with a grain of salt.

I have, &c.

W. A. SMART.

[8672]

No. 356.

Sir G. Barclay to Sir Edward Grey.—(Received March 14.)

(No. 22.)

Sir,

Tehran, February 18, 1910.
I HAVE the honour to transmit herewith copy of the joint communication which my Russian colleague and I have to-day handed to the Sakkat-ul-Mulk, the Acting Minister for Foreign Affairs, stating the conditions on which the two Powers are prepared to make a joint advance to the Persian Government of 400,000*l.* In handing this communication we expressed the hope that the Persian Government would accept our terms, which were no more than was consistent with the line of policy of the two Powers in Persia under the Anglo-Russian Agreement.

I regret that we have not been able to reply earlier to the application of the Persian Government. The distrust of Russia at the present moment is so great that the Medjlis is in no mood to consider any conditions dispassionately. It is unfortunate that Russia did not see her way to carrying out her decision to withdraw the Kazvin force three months ago, for of all the grievances against her which rankle in the Persian mind, by far the bitterest is the continued presence of the Russian troops within 100 miles of the capital; the other grievances would probably count for little had these troops been recalled when recommended by my Russian colleague.

Had she seen her way to take this step and followed it up with a prompt consent to join in the proposed advance, we should to-day be able to look forward with more confidence to a favourable consideration by the Medjlis of our terms.

I have, &c.

G. BARCLAY.

Enclosure in No. 356.

Joint Note communicated to Sakkat-ul-Mulk.

EN réponse à la demande adressée aux deux légations par le Gouvernement persan le 13 décembre dernier, les Gouvernements de Grande-Bretagne et de Russie consentent à accorder au Gouvernement persan une avance de 10,000,000 de francs (400,000*l.*) aux conditions suivantes :—

1. Le programme concernant l'emploi de la somme avancée sera soumis à l'approbation des deux légations. Les dépenses seront effectuées, selon ce programme, sous le contrôle d'une commission composée du Conseiller financier, de l'Administrateur général des Douanes, ou de leurs remplaçants en cas d'absence, de deux membres du

* Not enclosed.

Medjiss, ainsi que de deux fonctionnaires persans, et présidée par le Ministre des Finances. Aucune dépense ne pourra être faite sans un ordre de paiement signé par le Ministre des Finances, d'accord avec la commission, et par le Ministre du département intéressé.

2. Le programme des dépenses ne sera pas approuvé par les légations s'il ne prévoit pas l'engagement au Ministère des Finances de sept fonctionnaires français avec des pouvoirs exécutifs, selon les propositions contenues dans le rapport du Conseiller financier au Gouvernement persan. Ces fonctionnaires agiront d'après des instructions qui seront élaborées avec le concours du Conseiller financier et approuvées par lui. Aucune partie de l'avance ne sera payée avant que le Gouvernement persan n'ait officiellement adressé au Gouvernement français une demande pour l'engagement de ces fonctionnaires.

3. Le programme ne sera pas accepté non plus s'il ne prévoit pas l'organisation d'une force armée suffisante pour la sécurité des voies de communications commerciales. Le Gouvernement persan s'engagera à appeler aussitôt que possible à son service des instructeurs étrangers, mais pour aucune force armée aucun instructeur étranger ne pourra être engagé sans l'approbation préalable des Gouvernements de Grande-Bretagne et de Russie.

4. La Perse s'engage à ne donner aucune concession pour la construction de chemins de fer en Perse avant d'en offrir l'option aux Gouvernements de Grande-Bretagne et de Russie. Ce droit d'option ne sera pas exercé dans le cas où il s'agirait d'une concession à accorder à un sujet persan dans le but de construire et d'exploiter une ligne de chemin de fer avec des capitaux exclusivement persans, pourvu qu'il soit prouvé à la satisfaction des Gouvernements de Grande-Bretagne et de Russie que ces capitaux sont réellement indigènes.

5. La société de la route Tauris-Djoulfa recevra la concession de la navigation sur le Lac d'Ourmiah.

6. Cette avance constituera le premier versement de l'emprunt sollicité déjà par le Gouvernement persan, si les Gouvernements de Grande-Bretagne et de Russie consentaient à cet emprunt. Dans le cas contraire, cette avance, au taux de 7 pour cent par an, sera amortie en dix versements annuels égaux, garantis par les revenus des douanes et, en cas d'insuffisance de ces derniers, les revenus de la Monnaie serviront de garantie supplémentaire.

Téhéran, le 3 (16) février, 1910.

[8673]

No. 357.

Sir G. Barclay to Sir Edward Grey.—(Received March 14.)

(No. 23.)

Sir,
Téhéran, February 17, 1910.
I HAVE the honour to forward copy of a despatch from His Majesty's acting consul-general at Bushire, enclosing notes of a journey recently made by Mr. Vice-Consul Chick in the Rudhilleh district. Mr. Chick's remarks, endorsed by Major Trevor, regarding the suspicion with which the tribal chiefs of Southern Persia regard Sardar Assad, the Minister of the Interior, possess special interest.

In my telegram No. 68 of the 15th February I reported a story that Soulet-ed-Dowleh was contemplating an expedition against Ispahan and Tehran, with the financial assistance of the Sheikh of Mohammerah. Whether there be any truth in this story or not, there is no doubt that the rivalry between Sardar Assad and Soulet-ed-Dowleh is a very serious feature of the situation in the south. Very possibly the recent recrudescence of disorders on the Bushire-Shiraz road is due to it, and were it to come to a head, either by the Central Government's embarking on a campaign against Soulet-ed-Dowleh, or by an insurrection on the part of the latter, Fars would be thrown into a state of civil war for an indefinite period, a condition of affairs which would probably compel His Majesty's Government to intervene.

I took the opportunity yesterday of a visit from Nasr-ul-Mulk to read portions of Mr. Chick's report to him confidentially, and I urged him to use his influence in favour of conciliation. He gave me to understand that Sardar Assad was not contemplating any active measures against Soulet-ed-Dowleh, even if the Persian Government obtained an advance from the two Governments, and he told me he had done his best to bring about better relations between the two chiefs, and that the tension between them was less than it had been. He said that, during the tenour of office of Saham-ed-

Dowleh as Governor-General of Fars, the mistake had been committed of taking sides with the Kawami family, which was always at feud with the Kashgais. The new Governor-General—not Farman Farma, who has on reflection refused to proceed, but Zaffar-es-Sultaneh—had no prejudices one way or the other, and would, it was hoped, hold the balance between the two parties.

I have, &c.

G. BARCLAY.

Enclosure 1 in No. 357.

Major Trevor to Sir G. Barclay.

(No. 95. Confidential.)

Sir,

Bushire, December 26, 1909.

I HAVE the honour to forward, for your Excellency's information, a copy of a note made by Mr. Vice-Consul Chick, regarding his recent tour in the Rudhilleh district.

2. Mr. Chick was unable to proceed to Behbahan as originally intended, as soon after his departure I received news of the activity of the Boir Ahmed and other sections of the Kuhgelu tribe, and also of fighting near Behbahan, and therefore had to recall him to headquarters. I hope he will be able to complete his tour in the spring if the state of the country allows it.

3. Mr. Chick gives an interesting account of the power and prestige of Hyder Khan, of Bunder Rig. This chieftain has always been on good terms with the residency, and it is satisfactory to learn that his authority is increasing.

4. I beg to endorse Mr. Chick's remarks about the suspicion with which the tribal chiefs of Southern Persia regard Sardar Assad, the Minister of the Interior. One and all, from the Soulet-ed-Dowleh to the Sheikh of Mohammerah, think that he will use his position as a member of the Persian Government to pay off old scores incurred as a Bakhtiari chieftain. I think the Persian Government would be well advised, if they wish to quiet the south, to get rid of the Sardar Assad, if this can safely be done. From our local point of view in the south, it would certainly be a good thing if the Sardar dropped out of the Ministry.

I have, &c.

*A. P. TREVOR, Major, First Assistant Resident
(in charge of Residency).*

Note.—Original sent via London.

Enclosure 2 in No. 357.

Notes by Vice-Consul Chick on a Visit to the Khan of Hayat Daoud.

I LEFT Bushire on the 24th November by sea to Shieh, intending to proceed by a roundabout route to Behbahan. The objects which I had in view were:—

1. To obtain as accurate information as possible of the amount of land under grain cultivation in the district that lies between the borders of Arabistan and Bushire, and the amount of grain available for export in ordinary years.

2. To gather useful information regarding the districts under the jurisdiction of the various ruling khans.

3. To examine the importance of Behbahan as a market for imports and exports, the town itself being little known to Europeans.

I had, however, only reached Bunder Rig before I was recalled to Bushire, owing to the attack on M. Passek, and Shiraz reports as to the restlessness of tribes to the east of Behbahan, but I hope to complete the tour in the spring.

I spent a week in the districts of Angali, Rudhilleh, and Hayat Daoud, and was received everywhere with the greatest hospitality and friendship by the khans.

The position of the Khan of Hayat Daoud especially and his personality appear to me of considerable interest to the British Government in the present state of Southern Persia.

Influence of Haidar Khan of Hayat Daoud.—The territorial influence of Haidar Khan may be said to cover the coast district extending from Shieh 9 miles north of Bushire to the port of Dilam, 100 miles approximately from Bushire, and from Dilam north of the Lirawi district along the Behbehan road to near Zeidun, thence to the mountains about 14 miles from the sea. I do not yet know how far the Lirawi district extends to the other side of the mountains, but Hayat Daoud territory has its eastern border some 15 miles across the range (where it meets the Kashguli branch of the Kashgai tribe). The eastern border of the coast district extends from Lirawi down to Shahbancara and Zireh, a distance of about 85 miles.

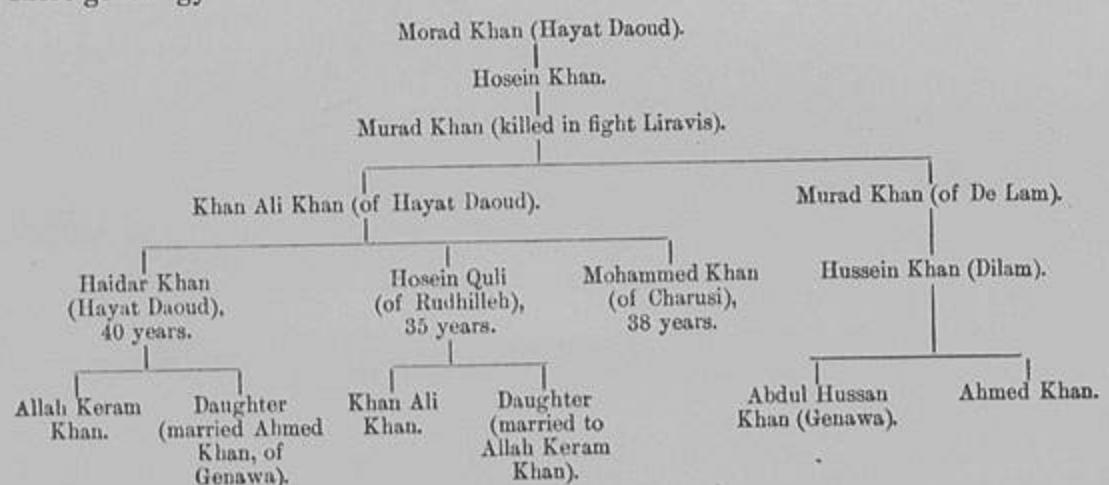
The south-eastern border of Shahbancara to Shieh is roughly 38 miles in length.

This large stretch of land—not less than 3,000 square miles—is divided into several districts:—

| | |
|-----------------------|--|
| Hayat Daoud and Rig | Under Haidar Khan and his relatives. |
| Rudhilleh | |
| Genawa | |
| Bunder Dilam | |
| Shahbancara and Zireh | |
| Lirawi | |
| Angali | Which are independent of the Khan of Hayat Daoud and each other, but yet look up to him as their guiding spirit. |

United these ruling khans comprise the most important hegemony situated between the Arab tribes, subjected to the Sheikh of Mohammerah and Baluchistan. They hold no title from the Persian Government, though nominally their districts fall under the provincial governments of either the Gulf ports or Fars; in point of fact neither government can interfere to any extent in their internal affairs, the "maliyat" is nominal and often unpaid, and the Customs surveillance of the coast ineffective. They rule by tribal government.

Haidar Khan of Hayat Daoud is evidently the most important of these: his family have been for years in possession of that part of the coast district, and I append a short genealogy.



As regards the influence of Haidar Khan over the surrounding districts:—

1. Between Genawa and Dilam comes the fertile Lirawi territory under Haji Hassan Khan, who, shortly before my arrival at Bunder Rig, had picked a quarrel with the Turk tribes living round Zeitun under the leadership of Eimur Agha, the Ak Chehre and Jugatain: and during my stay news arrived of the killing of Sheikh Kazim of the Lirawis by his opponents. Both sides were appealing to Haidar Khan to settle the dispute. The letter of safe-conduct, which the khan gave me for the Khan of Lirawi (his brother-in-law) was distinctly of the nature of an order.

2. Ismail Khan, of Shahbancara, a large district adjoining Hayat Daoud to the south-east also appealed to Haidar Khan to settle a quarrel which he had with the important Kashguli branch of the Kashgai tribe. On the other hand, a few days previously Mohammed Hassan Khan of the Kashgulis had sent twenty-five horsemen all the way across the mountains to Bunder Rig, with a letter asking the good offices of Haidar Khan in the same affair. (N.B.—Mohammed Hassan Kashguli had purchased last year from the Persian Government the lease of the district of Mazara for 6,000 tomans: a certain Seyyid Jafer of that district, late deputy for Shiraz in the Medjlis,

afterwards misrepresented to the Government that the district belonged to him, and made over the lease to the Khan of Shahbancara in return for his help. The Kashguli chief justly demands that either his 6,000 tomans should be returned, or the district handed over to him).

3. Haidar Khan is in constant correspondence with the Kashgai chiefs.

The armed force at the disposal of Haidar Khan comprises, as far as I could ascertain, in normal times: Hayat Daoud, 1,500–2,000 tufangchis; Rudhilleh, 700 tufangchis; besides the contingents from Genawa and Lirawi, the numbers of which I do not yet know.

Since the death of Haidar Khan's father, sixteen years ago, the influence of the Khan of Hayat Daoud has undoubtedly grown. The present chief is a very pleasantly-spoken, quiet man, much liked by his tribesmen for piety and justice. In boyhood he and his brother Mohammed Khan were retained as hostages by the then governor of the Gulf ports, and were brought up with the residency dragomans. Both he and his brothers still mistrust the Persian Government so much that they will not venture out of their territory. That, however, did not prevent him acceding to the request of the Derya Begi in May 1909 when he dispatched over 400 armed men to Bushire to enable him to make his expedition to Tangistan.

Relations of Haidar with British.—His relations with the residency have been very friendly for years, and the courageous personal assistance which he gave the resident and His Majesty's ship "Highflyer" in arresting pirates at Genawa in 1908 will be remembered. It seems not improbable that his policy is to gain the favour and goodwill of the British authorities in order to consolidate his own position in time of need. His friendship is worth cultivating. He is the owner of Kharg (Carrick) Island. No railway passing from the direction of Arabistan towards the south to Bushire, or behind it, could avoid passing through Hayat Daoud territory.

His Views.—Like all the other ruling khans of these parts, he seems to take a gloomy view of the prospects of the Persian Government being able to recover any administrative power over the outlying and tribal districts of Fars. I am not at all sure that these khans would not be altogether displeased if this prove the case, provided that they are able to maintain their own independent position and are left to manage their tribal affairs like the Arab sheikhs of the opposite coast.

He was very frank in giving me his views on the present state of affairs in Southern Persia, and they are worth note. He was much interested in the rising of Rahim Khan in the north, and read me out from a letter received from Ismail Khan of Shahbancara containing allusions to the trouble into which the events at Ardebil had thrown the Government; both chiefs evidently had a poor opinion of the prospects of the Medjlis. Haidar Khan said that the Medjlis had no "shalude" in Iran, which was composed of many distinct elements, and that as regards Bushire, at any rate, it was only to please the local governor that the so-called elections had been held. The tribesmen cared little for what the Bushire Anjuman said. Ismail Khan wrote in a similar strain.

Tribal Distrust of Present Minister of Interior.—But the point on which he laid most stress was the mistrust by the southern tribes of the Sardar Assad as Minister of the Interior, and their irreconcilable to anything which seemed to threaten a Bakhtiari predominance over them.

According to Haidar Khan, the Lur and Kashgai tribes with which he is connected thought that Sardar Assad wished to institute a Bakhtiari sovereignty. They saw Nejef Kuli Khan, Minister of the Interior. The Samsam-es-Sultaneh at Ispahan, Ilyas Khan appointed to Behbehan (which is Kuhgelu country, and for long under the Fars Government), one Bakhtiari sent to Yezd and another nominally as head of the military forces of Fakhr-ul-Mulk, governor of Arabistan, though really to institute a Bakhtiari surveillance over the Sardar Arfa.

He understood that two important personages had fathomed the "designs" of the Sardar Assad, viz., Soulet-ed-Dowleh, Ilkhani of the Kashgais, and Sardar Arfa, sheikh of Mohammerah.

Soulet-ed-Dowleh has about 2,000,000 men under his command, and is treated like a king in his tribe; he is really a greater chieftain than the Bakhtiari Khans, and did not relish one of them over him as Minister of the Interior. That was the position generally taken up by the Kashgai and Lur tribes, of which the Hayat Daouds are an offshoot. The Lurs of Fars were continually making raids on the Bakhtiari, and, as regards the government of a Bakhtiari Khan in Behbehan over the overlordship of the Sardar Assad as Minister of the Interior, they would not submit (tamkin nemikunand).

Haidar Khan also stated that Soulet-ed-Dowleh had written to himself and to other khans, e.g., of Shahbancara representing his objections to the present régime.

There is considerable confirmation from other sources of the views thus assigned to the Soulet-ed-Dowleh and Sardar Arfa.

Mr. Wilson is constantly referring to Sheikh Khazal's misgivings as to the intentions of the Sardar Assad and Bakhtiari interference in Arabistan, evidently foreseeing future attacks on his own position.

As to the Soulet-ed-Dowleh, it seems quite possible that the bottom of all the present raiding in Fars, and disagreement between the Governor-General and the Ilkhani may be the latter's dislike of the Sardar Assad occupying the position of Minister of the Interior. A Shirazi well connected with the Kashgai tribe has told us that the Soulet-ed-Dowleh in his correspondence will not give the usual titles of the Minister of the Interior to Sardar Assad. Mr. Christmas and his party on their way from Shiraz were stopped by a large force of Kashgais at Dashtarjin, and one of the chiefs asked Mr. Christmas much to his surprise whether he remembered the story of Charles II. "We are going to bring back Mohammed Ali Shah, just as they did Charles II." Mr. Bill, writing on the 1st December, thinks that the Soulet-ed-Dowleh is evidently determined to show his hostility to the present régime by all the means in his power.

Lawless state of Kuhgelu country.—Haidar Khan also gave me in the course of conversation details which show the wild and independent nature of the tribes northwest of Shiraz.

The Boir-Ahmedi tribe, which was alleged to have assaulted M. Passek has, for the last few years been most unruly. It numbers 7,000 riflemen at least, and they are cunning fighters (the Kugheli of whom they form a clan number more than 100,000, it was estimated). The former have killed all their own prominent chiefs, this year Wali Khan and Shahin Khan, his son; last year Kerim Khan, Bahadur-ed-Dowleh with twenty-five men of the tribe who were escorting Zeigham-ed-Dowleh, ex-Ilkhani of the Kashgais on his way to Behbahan as governor. Zeigham was only released from imprisonment after great difficulty by Soulet-ed-Dowleh his brother. They live in small fortresses in the mountains east of Behbahan where they have supplies of provisions and water.

The passes to their strongholds are inaccessible and it would cost the Governor of Shiraz a very large sum to capture even a few of them.

The Cheroomis, a Kuhgelu tribe, last year captured a cannon sent by the Behbahan Government in order to force them to pay "maliyat" and buried it. The Persian officials kept the matter quiet.

The position in the Mamasenni district (a fief of the Moin-et-Tujjar, Shahbancara Brothers and Said-es-Saltaneh, late governor of the Gulf ports) can be little better. Dushman Ziari, Rustemi, Bakkesh, and Jawidi are the four tribes concerned. They have paid no tribute for three years; in 1907 they looted Said-es-Saltaneh as he was returning from Bushire.

During my stay at Rig, Haidar Khan received news that an officer sent by the Governor-General of Fars with a cannon and soldiers to exact tribute had been attacked in Mamasenni and the cannon captured.

It would seem that the Persian Government have before them a tremendous task, should they try to reduce the Kashgai, Kuhgelu and coast districts to order.

H. G. CHICK.

[8675]

No. 358.

Sir G. Barclay to Sir Edward Grey.—(Received March 14.)

(No. 25.)
Sir,

WITH reference to my telegram No. 717 of the 6th September last, I have the honour to transmit herewith copy of a despatch from His Majesty's acting consul-general at Tabreez offering observations on Mukhber-es-Saltaneh's record as Governor-General of Azerbaijan after five months of his administration.

I have, &c.
G. BARCLAY.

Enclosure in No. 358.

Acting Consul-General Smart to Sir G. Barclay.

(No. 10.)
Sir,

Tabreez, February 3, 1910.

WITH reference to my telegram No. 187 of the 5th September last, I venture to offer the following observations on Mukhber-es-Saltaneh's record as Governor-General with reference to the general situation in Azerbaijan after five months of his administration.

On his arrival here last August, the Governor-General found himself between the Russian troops, whose commanders from the start adopted a hostile attitude towards him, and the fedais under Sattar and Bagher, who terrorised all the administrations and the population. He was soon made to feel that he could expect no sympathy from the Russian consulate-general. Having no troops, the new governor was compelled to work with the fedais, and, deceived, as he has frankly confessed to me, by the spurious reputation of Sattar and Bagher in Europe, he really hoped to be able to work with them. However, although willing to use them, he quickly showed that he intended to be their master. Gradually the interference of the fedais in administrative affairs was checked; their terrorising manœuvres were rendered very difficult; the fedai police was largely reduced; the fedais in outlying parts of the province, as Khoi, Salmas, &c., were recalled; Sattar, in spite of his determined opposition, was forced to leave for Ardebil; the Anjuman, under the astute direction of Mukhber-es-Saltaneh, was almost imperceptibly reduced to the state of insignificance which it still enjoys. A governor was sent to Urumia; the Khan of Maku was reconciled to the new régime; Shuja-ed-Dowleh was treated with honour and confirmed in the governorship of Maragha. Even the Shahsevans were beginning to tender their submission. Three things combined to ruin the promise of those early days: firstly, the disgraceful conduct of Sattar at Ardebil, ending in the alienation of the Shahsevans; secondly, the rebellion of Rahim Khan; and thirdly, and chiefly, the criminal negligence of the Persian Government in leaving the Governor-General so long without troops. I have no hesitation in saying that, if the Persian Government last August had dispatched to Tabreez the efficient force which finally, without a foreign loan but with the knife at their throats, they dispatched in November, the disorders in Eastern Azerbaijan would never have assumed the proportions of a regular rebellion, while the Governor-General would not have been forced to compromise with the fedais.

The rebellion in Eastern Azerbaijan undid most of the governor's work. Whatever troops were available had to be sent eastwards, including even half the precious Cossacks. Sattar returned from Ardebil, infuriated, for he imagined that the Governor-General had lured him into a death-trap there. He surrounded himself in his quarter with several hundred fedais, and refused to leave Tabreez. I strongly advised the Governor-General to seize the favourable moment, when Sattar was thoroughly discredited, and expel him by force. Mukhber-es-Saltaneh, however, not without reason, feared to take extreme measures. In the event of disorders, he feared the intervention of the Russian troops, which, he knew, would take such a form as to discredit him. He feared also the effect of disorders in Tabreez on Eastern Azerbaijan as well as on the various elements in the province, which were intently watching the new administration and hovering on the border-line of revolt.

While not daring to go for Sattar, the Governor-General has yet shown considerable firmness towards the fedais. He even hanged a fedai, a near relation of Sattar Khan, who had committed a murder. This act of justice aroused the ire of the fedais, and they began to threaten the Governor-General. Anonymous letters were thrown into the consulates, denouncing Mukhber-es-Saltaneh as a reactionary, and demanding his dismissal. The governor is nervous for his personal safety, and he told me that he feared an *attentat* from the revolutionary committees in the Caucasus.

Sattar's position is still unpleasantly strong, and he is unfortunately supported by the new Turkish consul-general, Enver Bey, who appears to be a mischief-maker. Sattar fears for his life, and always goes out with a large armed escort. Violent action against him might now result in bloodshed. I fear that Mukhber-es-Saltaneh is unlikely to force Sattar to go—at any rate, not before the settlement of the rebellion in Eastern Azerbaijan. It is most desirable that the central Government should insist on the departure of both Sattar and Bagher from Azerbaijan. They can go with honour, but go they must, if the Persians wish to get rid of the Russian troops from Azerbaijan. As long as these two rascals are here, the fedai organisation cannot be

broken up, and, until it is broken up, most Europeans here would view with alarm the departure of the Russian troops from Tabreez.

I must confess that my expectations of Mukhber-es-Saltaneh have been somewhat disappointed. He is not weak; on the contrary, he has governed with considerable firmness. I would rather reproach him with excessive prudence and deliberation. Where a bolder man would act with the recklessness which often brings success, Mukhber-es-Saltaneh will defer action in a very irritating manner. My Russian colleague, although he seems to have slightly modified his first unsympathetic attitude, is always very impatient with Mukhber-es-Saltaneh, whom he looks on as a German dreamer and not a man of action. M. Miller has considerable justification for his impatience, but he makes no allowances for the governor's difficulties.

It is possible that Ala-ed-Dowleh might be more suitable for Azerbaijan at this moment than Mukhber-es-Saltaneh. Ala-ed-Dowleh, being able to rely on Russian support, would probably hang a number of fedais, and his reputation for savagery would have an excellent effect on the unruly elements in the province, whether fedais or tribesmen. On the other hand, he would not be helped by personal popularity, such as Mukhber-es-Saltaneh enjoys. However, whoever of the two be the better governor, Tabreez wants Mukhber-es-Saltaneh. After all, it is difficult to disregard entirely the evident desire of the centre of nationalism for an enlightened governor of the new school. Besides, Mukhber-es-Saltaneh is far from being a weak governor. Moreover, his frugality, his rectitude, his obvious sincerity, his jealous care of the public money, his industry and lack of personal prejudices are qualities which few, if any, other Persian governors possess. But for the Russian attitude, I am inclined to think that Mukhber-es-Saltaneh, in spite of his regrettable lack of boldness, would be the most suitable governor for Azerbaijan.

The general situation is not very encouraging. The lack of capable subordinates greatly increases the Governor-General's difficulties. The fedai question being still unsettled, the prospect of the withdrawal of the Russian troops from Tabreez is remote. In Eastern Azerbaijan the situation has improved, and the Government forces seem to be getting the upper hand of the rebels. But, even if the rebellion is suppressed, there will long be, as there has always been in the past, a certain amount of unrest in those regions. It would not therefore be difficult for the Russians to find plausible excuses for prolonging the occupation of Eastern Azerbaijan. There is much pessimism at Tabreez, where the prevailing impression seems to be that the Russian troops in Azerbaijan have come to stay. This pessimism is of course largely based on local premises, while the fate of Azerbaijan depends rather on the central Government. However, a section of Persians here thinks that nothing done either at Tehran or Tabreez will avail against the attitude of Russian agents. As long, they argue, as, rightly or wrongly, the impression prevails in Azerbaijan that Russia, from hostility to the new régime, is always on the side of disorder, the efforts of the central Government and the provincial authorities to restore lasting peace to this sorely-tried province can hardly be crowned with success.

I have, &c.
W. A. SMART.

[8676]

No. 359.

Sir G. Barclay to Sir Edward Grey.—(Received March 14.)

(No. 26.)
Sir,

IN Tehran the feature of the past few weeks has been the unfortunate increase of anti-Russian feeling.

On the 5th instant the Medjliss uttered its protest at the continued stay of the Russian troops on Persian soil by unanimously passing a vote of censure upon Ala-es-Sultaneh for the lack of energy he was alleged to have shown in his efforts to secure their withdrawal. Since the fall of the Minister for Foreign Affairs there has been nothing in the Medjliss that could be construed as a demonstration against the Russian troops, but the general feeling towards Russia is undoubtedly one of profound distrust and hostility, and augurs ill for the chances of the Medjliss accepting the joint advance from the two Powers, the terms of which were communicated to the Acting Minister for Foreign Affairs on the 16th instant. Apart from the overwhelming grievance of the presence of the Russian troops, there are other minor ones of recent development. Deep resentment is felt at Russia's sheltering Rahim Khan, her action being regarded

as confirming the suspicion generally entertained by Persians that the recent rebellion was abetted by Russia, and public feeling has been still further aroused by a conflict which has arisen between the Minister of War and Colonel Vadolski, the Russian officer commanding the Cossack brigade, who has dismissed two Persian Cossack officers for a breach of discipline, and refuses to reinstate them, although ordered to do so by the Minister of War. This latter incident seemed at one time likely to provoke an interpellation in the Medjliss which would doubtless have led to a demonstration against the position of the Russian officers of the brigade. Fortunately wiser counsels prevailed.

In Azerbaijan the situation has somewhat cleared with the overthrow of Rahim Khan, but in Tabreez Sattar Khan and Bagher Khan are still a source of anxiety, and His Majesty's acting consul-general reports that until these two men are disposed of most Europeans would view with alarm the withdrawal of the Russian troops from Tabreez. In the Ardebil district, according to the Minister of the Interior, the Shahsevans have made their submission, and promised to restore the plunder taken during the late rising. Russian damages on account of the rebellion are assessed by the Russian consul at 80,000*l.*, partly against Rahim Khan and partly against the Shahsevans, but, though my Russian colleague thinks this estimate will be reduced, it can hardly be hoped that the Shahsevans will restore sufficient plunder to satisfy the Russian claim, and as the Russian Government have informed the Persian Government that unless the Shahsevans are punished and Russian losses made good Russia will take the matter into her own hands, it is more than possible that Russia will at a convenient season herself undertake an expedition against this tribe, with which she has old scores to settle.

From Fars the news is anything but good. Caravans appear to be using freely the route via Jereh from Bushire to Shiraz, but the safety of this road is dependent on the good pleasure of Soulet-ed-Dowleh, at whose dictation the central Government substituted it for the road via Kazerun as the route for the safety of which they would answer. Soulet-ed-Dowleh's attitude is disquieting. It will be seen from my despatch No. 23 of the 17th February that Mr. Vice-Consul Chick reports that the tribal chiefs in Fars generally are opposed to the Bakhtiari influence in the present Government, and I have since received a telegram from His Majesty's acting consul-general at Bushire containing indications that trouble is brewing at the hands of Soulet-ed-Dowleh, who may be intending to attack the Bakhtiari influence which has become so powerful since the revolution, and in antagonism to which, Major Trevor says, the Sheikh of Mohammerah, the Kuhgelu and tribal chiefs are known to be in sympathy with the Kashgai.

Whatever may be Soulet-ed-Dowleh's designs the situation at Fars seems to be at his mercy, and as the Persian Government cannot hope, at any rate in their present condition, to subdue him, Sardar Assad would be wise to try to come to terms with him, and this course is being pressed upon him by Nasr-ul-Mulk and others.

I have, &c.
G. BARCLAY.

[8677]

No. 360.

Sir G. Barclay to Sir Edward Grey.—(Received March 14.)
(No. 27.)
Sir,

Tehran, February 25, 1910.

I HAVE the honour to submit herewith the usual monthly summary of events in Persia for the past four weeks.

I have, &c.
G. BARCLAY.

Enclosure in No. 360.

Summary of Events in Persia for four weeks ending February 25, 1910.

Tehran.

THE British and Russian Legations informed the Persian Government on the 16th instant of the conditions under which the two Governments would be prepared to advance a sum of 400,000*l.* jointly.

2. *The Medjiss.*—The Minister of Finance, on the 29th January, submitted to the Assembly a project with regard to the engagement of seven foreign employés for his Ministry, whose salary should aggregate 57,240 tomans (11,000*l.*). The matter was referred to the Finance Committee of the House.

On the 5th instant Ala-es-Sultaneh, the Foreign Minister, was interpellated regarding the continued presence of Russian troops in Persia. Considerable vehemence was displayed by several deputies and the alleged inaction of the Foreign Minister was severely criticised. Taki Zadeh spoke for over half an hour, and reviewed the circumstances under which the Russian troops had originally been sent to Persia. He referred to the circular issued by Russia to the Powers on the occasion, in which it was stated that the troops would be withdrawn as soon as order had been restored. He asked the Foreign Minister to inform the House whether he had ever taken any measures for the withdrawal of the troops beyond mentioning the matter to the Russian Minister at a tea party. He desired to know whether any direct representations had been made either at St. Petersburg or in London. The replies given by the Foreign Minister and the Under-Secretary for Foreign Affairs were not considered to be satisfactory, and when the motion was put the Foreign Minister failed to obtain a vote of confidence.

This being tantamount to his dismissal by the Assembly, Ala-es-Sultaneh ceased to be in office from that day. The same evening the legations were informed that, Ala-es-Sultaneh having resigned, the Foreign Ministry would be under the charge of Sakkat-ul-Mulk, the Under-Secretary. There is good reason to believe, however, that Ala-es-Sultaneh's dismissal had for some time been in contemplation, and that his dismissal under the above circumstances was intended to give more force to the demonstration against the Russian troops.

On the 20th instant the budget presented by the Minister for War for the four months ending the 21st March next was read and approved.

A variety of subjects of minor importance relating to purely internal and local affairs were dealt with in the course of the sittings. There was some discussion regarding the proposed contract to be drawn up with Mr. George New, whose services are temporarily being placed by the Telegraph Department at the disposal of the Persian Telegraph Administration.

3. *The Press.*—The "Iran-i-Nau" has of late been, if possible, even more violently anti-Russian in tone than before. Information which has reached His Majesty's Legation, however, indicates that it is managed by an Armenian, who is ready to change the tone of the paper for a consideration. Since the Anglo-Russian terms for an advance have been communicated to the Persian Government the "Iran-i-Nau" has strongly advocated their rejection on grounds of patriotism.

G. P. CHURCHILL.

Tabreez.

1. Mr. Shipley arrived on the 10th February and assumed the duties of His Majesty's consul at Tabreez. Mr. Smart left on the 16th February for Tehran *en route* to Shiraz.

2. On the 1st February the Government forces under Yefraim, Sardar Bahadur, Samad Khan, and Bagher Khan, which had concentrated at Aher, attacked and defeated the forces of Rahim Khan near that place. Rahim Khan fled and was pursued by the two former commanders. He, however, made good his escape to Russian territory, accompanied by some of his family. Two guns, eight loads of ammunition and Rahim Khan's prisoners fell into the hands of the pursuing force. The Shahsevan and Karadagh chiefs, including Rahim Khan's nephew, Kerim Khan, have all made their peace with the Government. Rahim Khan is reported to have taken with him a large amount of plundered merchandise.

Resht.

Tranquillity has prevailed. The Nationalist volunteers have been disarmed, and 200 men of the Khalaj regiment are now in garrison in the town.

Meshed.

1. Quiet has prevailed at Meshed and in Khorassan. It appears that the religious element is organising its forces for a struggle against the new order of things. The

Governor-General is, however, working in accord with the Nationalist delegates from Tebran and it seems probable that he will retain office. There are persistent rumours that Prince Dabija has been called upon to resign and will soon leave Meshed. There is a good deal of friction between him and the chief of police.

2. An order has been issued calling on all foreign subjects to register themselves at the office of the chief of police. This caused some alarm to the Afghan "agent" who appealed to His Majesty's consul-general. Major Sykes has arranged with the chief of police that Afghan subjects shall be given plenty of time to provide themselves with passports.

3. On the night of the 31st January one of the Russian Cossack officers was very drunk and disorderly and fired five shots from a revolver. The police shepherded him home and sent him his head-gear in the morning.

Turbat-i-Haideri.

1. Captain Skourratt returned from Khaf on the 19th December and left on the 22nd for Meshed.

2. The following movements of Russian Cossacks are reported: On the 20th December, three arrived from Meshed; on the 27th, six arrived from Kariz for Kerman; on the 31st, two arrived from Kariz; on the 9th January, six arrived from Kerman *en route* to Russia via Kariz; six of the Turbat escort left on the 13th January for Russia via Kariz, and six arrived from Bunder Abbas *en route* to Russia via Kariz.

3. Aliek, Salar Khan's stronghold, was attacked on the 31st December by the Government troops. The commander of the latter was slightly wounded early in the fight whereupon his men immediately withdrew. Salar Khan's wife and children are prisoners. He wrote on the 18th January to His Majesty's vice-consul asking for protection on the ground that his grandfather came from British Baluchistan, and he therefore considered himself a British subject. He was informed that the reasons put forward by him were not sufficient to warrant British interference. He is now endeavouring to make terms with the Government.

Seistan.

1. It appears from a detailed report of Mir Jiand's intended raid on Bem and Narmashir that he had collected some 4,000 men and had begun to move when the collection of Persian troops at Bam and some trouble with Sardar Yakub Khan in his rear induced him to alter his plans and disperse his following. He talked of resuming operations in the spring, but meanwhile the Persian authorities seemed to be collecting troops for an expedition into the Sarhad. Major O'Connor sent Mir Jiand a warning similar to that addressed to the other sardars.

2. Major O'Connor visited Koh-i-Malik Siah on the 26th December and reached Seistan on his return on the 19th January.

3. In all 5,300 camels and 498 men had by the 1st January passed through Awaz from Afghanistan bound south, presumably for arms.

Ispahan.

1. Quarrels have been frequent among the local authorities. These are apparently due to the clergy, who continue to make efforts to retain their influence. The latest news, however, is to the effect that Agha Najafi and his two sons are preparing to leave Ispahan for Kerbela. They wish to place their extensive landed property under foreign protection. On the 5th February fifty or sixty seyyids began forcibly closing the shops in the bazaar and crying out against the Assembly. Bakhtiari guards were sent to reopen the shops and the seyyids were forced to retire. Subsequently it was proclaimed by crier that any one closing his shop would have his goods pillaged and his life taken. The action of the seyyids was intended as a protest against the chief of police, who had torn up and returned to Agha Najafi a letter calling for the release of a prisoner. On the 17th February a second attempt to close the bazaars was made by a priest who had quarrelled with the police. The shops were again forcibly opened by the authorities.

2. Ali Reza Khan, eldest son of Zargham-es-Sultaneh, Bakhtiari, is to marry a sister of Soulet-ed-Dowleh, the Kashgai chief. As marriages of Kashgai women outside the tribe are rare, this alliance is probably prompted by some ulterior motive.

3. During the first half of February all the roads to Ispahan were safe, and posts

arrived regularly. The Shiraz road remained undisturbed until the 16th February, on which date a robbery was committed at Orchini by forty robbers, said to be Kuhgeluis. On this date the whole road from Orchini to Shiraz was stated by the postal officials to be very unsafe. The other roads remain undisturbed.

Yezd.

1. The town has remained quiet; the roads have also been undisturbed, excepting the Kerman road, on which, in the middle of February, several robberies were reported. The robbers, who are said to be Tutakis, Chaharrabis, Lashanis, and Pakalihis, under Fezali Ganjali, frequent the road between Yezd and Anar. The governor states that he has dispatched forces to clear the road. The governor recently informed Mr. Blackman that his present post was altogether too small for him, and that he would probably be succeeded in it by one of his nephews in the next two months. It appears that Sadr-ul-Ulema, whose beating was reported last month, was severely but not cruelly beaten. He was kept in custody until the 24th January, since when the governor has been on friendly terms with him.

2. M. Adamoff, whose departure for Ispahan was delayed by the illness of one of his Cossacks, left Yezd for Tehran at the end of January.

Kermanshah.

1. The new governor, Nizam-es-Sultaneh, arrived on the 8th January with 100 horsemen and 500 infantry. By the end of the month he had been joined by 200 Sinjabi and 50 Nanakali horsemen, while 200 others were being raised locally and drilled. The measures taken by the governors have so far preserved order in the town, but his failure to deal severely with some of the more important disturbers of the peace is likely to diminish the respect for his authority. He is also handicapped by the emptiness of the Treasury. Early in February Salar-i-Masud, the Gurah chief and governor of Kasr-i-Shirin, was ordered by the governor to come to Kermanshah with his regiment and taxes. He replied that, being in charge of the border, he could not comply. The governor repeated his summons, and Salar-i-Masud has since been in consultation with Daoud Khan, Kalhur, "chief of the tribes." Daoud Khan has ordered the road-guards on the Kasr-i-Shirin road to cease exacting blackmail from caravans. Most of the roads continue safe, but several robberies are reported on the Kangowar-Hamadan road.

2. Captain Crossle, I.M.S., left for Kasr-i-Shirin on the 29th January. He has been posted to Muscat.

Hamadan.

Sardar-i-Nasir has assumed the governorship. He has not so far displayed much ability, and several robberies have occurred since his arrival.

Kerman.

The governor, who intended to visit Baluchistan and interview the Baluchi sardars himself, has been compelled to abandon the idea partly because the Central Government were unable to give him the money he asked for, and partly because of the danger of disorders occurring in Kerman on his departure. The reappearance of gangs of robbers on the Kerman-Yezd road may also have caused him to remain in Kerman. He has, however, dispatched a representative to interview the sardars. It seems that early in January he received a letter from Sardar Seyyid Khan, saying that as he is head of all the Fars tribes, and the Baluchis know him well, they are quite willing to submit to him; but as the Persian Government is powerless, and affairs are in disorder, the Baluchis do not know what to do. The town has remained quiet, but the issue of police regulations restricting the sale of opium has caused a good deal of discontent.

Shiraz.

The town has remained quiet. Firman Firma having resigned the post of Governor-General, Zafar-es-Sultaneh has been appointed to it. He is at present in Tehran. Meanwhile Soulet-ed-Dowleh is the *de facto* governor of Fars, and, in accordance with his wishes, caravans are using the Jirreh route to Bushire. He recently paid a sum of

over 100*l.* to His Majesty's consul, in settlement of a claim of Messrs. Dixon and Co. for goods robbed by Kashgulis. The Kazerun route to Bushire and the Ispahan road continue unsafe, several posts having been robbed. The telegraph line has also been repeatedly interfered with near Konar Takhteh.

PERSIAN GULF.

Bushire.

1. Mirza Hussein, lately clerk to the German consulate, has been elected one of the two Gulf ports members for the National Assembly. It is reported that he has not definitely resigned his post in the German consulate, but has taken leave for two years, during which his brother, Mirza Hassan, will act for him. The German consul formally informed the Persian Foreign Office agent that Mirza Hussein had resigned his appointment; but the fact that Mirza Hassan, who is a most inefficient clerk, has been appointed to the vacancy lends colour to the rumour, which has possibly some foundation. Mirza Hussein is regarded by many as a German spy, and his presence in the local assembly is resented, but apparently no one has enough moral courage to expose him.

2. The governor is reported to have received a telegram from the Sipahadar at Tehran, informing him that the customs premises at Bushire, which are owned by the Moin-ut-Tujjar, and for which he charges a preposterous rent of 90*l.* per mensem, have been placed under attachment, apparently owing to the Moin's failure to carry out certain necessary repairs and improvements. This is satisfactory news, if it means that the Persian Government is going to acquire the premises.

Mohammerah.

1. The Imperial Bank of Persia opened a branch here early in January. 2. His Majesty's acting consul, writing on the 8th January, stated that he did not think that there was any foundation for the idea which prevailed at Ahwaz, that the sheikh was encouraging people to harry the Bakhtiari tribes. He believed that the sheikh was determined to keep the peace and maintain his present strong position. The sheikh's objections to the present constitutional régime were probably mainly personal, and not based on any radical dislike to constitutional ideas in Persia.

3. The sheikh has paid in full his debt of 2,000*l.* to Messrs. Lynch. 4. There are now 100 British subjects registered at the consulate, as against fifty last year.

5. Sir W. Wilcocks arrived on the 30th December, and proceeded to the proposed site of the Karkhah irrigation. He considers that the irrigation scheme offers no practical difficulties, and is likely to be extremely remunerative. He returned to Mohammerah on the 6th January, and reached Bussorah on the 7th.

C. B. STOKES, Major,
Military Attaché.

[8679]

No. 361.

Sir G. Barclay to Sir Edward Grey.—(Received March 14.)
(No. 29.)

Sir,
I HAVE the honour to transmit herewith copy of a despatch from His Majesty's acting consul-general at Tabreez, enclosing a letter from Mr. Charles Stevens disinteresting himself of the navigation of the Lake of Urumia.

I venture to hope that you will be able to see your way to adopt the suggestion contained in the last paragraph of Mr. Smart's despatch.

I have, &c.
G. BARCLAY.

Enclosure 1 in No. 361.

Acting Consul-General Smart to Sir G. Barclay.(No. 7.)
Sir,

Tabreez, January 27, 1910.
I HAVE the honour to transmit herewith copies of correspondence between my Russian colleague and myself regarding the Urumia Lake navigation.

I venture to draw your attention to Mr. Charles Stevens's praiseworthy conduct in this affair. As you are aware, Mr. Stevens was originally induced to enter into negotiations with Imam Kuli Mirza by this consulate-general, acting with the approval of His Majesty's Legation. When, after much expense and trouble, he had arranged all the preliminaries with Imam Kuli, His Majesty's Government, owing to the conclusion of the Anglo-Russian Agreement, imposed their veto on the combination. In the recent developments and negotiations with the Russian Road Company and Imam Kuli, Mr. Stevens has consistently sacrificed himself to prevent any friction with the Russians. But for his abnegation, I might have been involved in considerable difficulties with my Russian colleague. The reward of his self-sacrificing conduct has been the loss of a very large prospective profit, besides the waste of money and valuable time spent in negotiations undertaken at the instance of this consulate-general.

I venture to think that an expression of thanks to Mr. Stevens from His Majesty's Principal Secretary of State for Foreign Affairs would be very opportune and do much to remove any very natural soreness which this affair may have left in his mind.

I have, &c.
W. A. SMART.

Enclosure 2 in No. 361.

Acting Consul-General Smart to M. Miller.

M. le Gérant et cher Collègue,

Tauris, le 25 janvier, 1910.
J'AI l'honneur de vous transmettre, sous ce pli, copie d'une lettre que j'ai reçue de Mr. Charles Stevens, se désintéressant de la navigation du Lac d'Ourmiah. Je vous saurais gré de bien vouloir faire le nécessaire pour effectuer l'échange de documents, indiqué au dernier paragraphe de la lettre ci-incluse.

J'ose espérer que vous appréciez dans cette affaire l'attitude très correcte de Mr. C. Stevens, qui s'est conformé aux désirs de son Gouvernement, malgré les sacrifices pécuniaires que son abstention lui a fait subir.

Je profite, &c.
W. A. SMART.

Enclosure 3 in No. 361.

Mr. Stevens to Acting Consul-General Smart.

Sir,

Tabreez, January 24, 1910.
THE term of two months, as stipulated in contract between Russian Road Company and myself for navigation of Urumia Lake, having lapsed this day, I beg you to inform parties concerned that, considering the special nature of the enterprise and the views of His Britannic Majesty's Government in the matter, I disinterest myself entirely of all enterprises concerning the said navigation of Urumia Lake.

For regularity's sake, I beg you to obtain from Russian Road Company contract bearing my signature, to be exchanged for theirs, which I still hold.

I have, &c.
CHARLES E. STEVENS.

Enclosure 4 in No. 361.

M. Miller to Acting Consul-General Smart.

M. le Gérant et cher Collègue,

Tauris, le 26 janvier, 1910.

EN vous accusant la réception de votre lettre en date du 25 janvier, j'ai l'honneur de vous faire part que j'ai immédiatement communiqué à M. Treskinski, le directeur de la Route de Tauris, la copie de la lettre de Mr. Charles E. Stevens concernant l'échange d'exemplaires du contrat conclu entre lui et la société de la dite route.

Dès que j'aurai reçu l'exemplaire désiré par Mr. Stevens je ne manquerai pas de le lui remettre par intermédiaire du consulat général britannique en échange contre l'exemplaire se trouvant chez Mr. Stevens.

Je vous prie de vouloir bien transmettre à Mr. Charles E. Stevens l'expression de ma haute appréciation de son attitude de désintéressement dans cette affaire.

En même temps je tiens à vous témoigner les sentiments de ma plus sincère gratitude pour toute votre bonne assistance, grâce à laquelle des intérêts personnels ont été sacrifiés pour satisfaire les désirs du Gouvernement de Sa Majesté britannique.

Je sais, &c.

A. MILLER.

[8698]

No. 362.

Sir A. Nicolson to Sir Edward Grey.—(Received March 14.)(No. 127.)
Sir,

St. Petersburg, March 6, 1910.

M. ISVOLSKY and myself had a short conversation this morning on Persian affairs. I told him that I had heard that the officer commanding the regiment lately at Ardebil was coming to St. Petersburg. His Excellency said that he had already arrived. I remarked that I presumed he would report on the question of Russian troops in Persia. M. Isvolsky replied that he had been summoned here precisely for that purpose, and that the whole question would be examined at the next meeting of what I propose to term the Persian Committee. I said that I trusted that it would be found possible to withdraw the troops from Kazvin. His Excellency said that he hoped to be able to effect that, provided that no fresh incidents or manifestations occurred in the meanwhile.

He asked if I had any news as to the advance. I replied that I believed that the Persian Government were discussing the matter informally with the Medjlis, but the opposition to our conditions seemed to be considerable. I supposed the Persian Government would try to scrape together some funds from one source or another, but it seemed to me that eventually they must apply for the payment of the advance, and we could wait quietly till they did so.

I said that I heard that the German Government were thinking of making another protest against the employment of Frenchmen as assistants in the Financial Department. M. Isvolsky read to me the telegram which M. Poklewski had sent him on the subject, in which it was stated that Count Quadrt had informed him that Baron von Schön intended to "protest energetically." Count Pourtalès had as yet said nothing on the subject, but he presumed he would shortly receive a communication. He considered it a serious matter, and was a little puzzled what to say to Count Pourtalès when the latter broached the subject. Of course, he would give no formal written reply without previous consultation with His Majesty's Government.

I said I believed Sattar and Bagher Khans had been called to Tehran. His Excellency said he had no information on the subject.

I have, &c.

A. NICOLSON.

[8783]

No. 363.

Sir G. Barclay to Sir Edward Grey.—(Received March 14.)(No. 108.)
(Telegraphic.) P.

SITUATION in the south.

Please refer to my telegram No. 101 of the 11th March, and to previous correspondence.

Sardar Assad is, I find, cognisant of the negotiations that are being carried on between Sowlet-ed-Dowleh and other chieftains, but he affects to treat them as without importance. Sardar Assad has assured the Kashgai deputy in Tehran that Sowlet will not be deprived of his position as chief of the tribe so long as he continues his allegiance to the central Government.

Unless the Sheikh of Mohammerah makes a further complaint, I hesitate to bring this side of the question before the Minister of the Interior, but I shall warn sheikh, through His Majesty's consul at Mohammerah, to abstain from intrigue with vali of Pusht-i-kuh.

Much should have been done towards alleviating situation and calming the apprehensions of the sheikh, if the Minister of the Interior can succeed in convincing Sowlet that he is not seeking to bring about his downfall.

[8935]

No. 363*.

Sir G. Barclay to Sir Edward Grey.—(Received March 14.)(No. 109.)
(Telegraphic.) P.

Tehran, March 14, 1910.

REFERRING to my telegram No. 99 of the 9th March, Acting Minister for Foreign Affairs informs me verbally that Persian Government will allow the Oil Company's launch to ply temporarily on the Upper Karun, and asks for what period permission is necessary. I replied that the period depended on the requirements of the concession. He suggested that the permission should cover the space of one year.

As the launch is expected at Mohammerah in a day or two, and the local agents of the company threaten to claim 500*l.* a-day for delay, the matter is urgent.

If I insisted on permanent permission, the case might have to be referred to the Medjlis; great delay would in any case occur. I have therefore agreed to the period he suggested, not, however, without stating that I should expect the renewal of the permission at the end of the period agreed upon.

[8936]

No. 364.

Sir G. Barclay to Sir Edward Grey.—(Received March 14.)(No. 110.)
(Telegraphic.) P.

Tehran, March 14, 1910.

GERMAN-PERSIAN relations.

Please refer to your telegram No. 45 of the 5th March, and Sir A. Nicolson's telegram No. 86 of the 10th March. Sir R. Rodd has written to tell me that one Ruete is coming here, and I believe he, not Castelli, is the agent of the Deutsche Bank.

His Excellency adds that he has given a letter of introduction to me to Ruete, who claims to be interested in reconciling the commercial interests of Great Britain and Germany. The gentleman has said that his object in coming to Persia is to collect information for the Deutsche Bank.

Ruete now lives in England, though formerly he resided in Egypt, where he represented the Deutsche Orient Bank.

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[8954]

No. 365.

Sir A. Nicolson to Sir Edward Grey.—(Received March 14.)(No. 93.)
(Telegraphic.) P.

St. Petersburg, March 14, 1910.

MY telegram No. 92 of the 13th March.

Germany's attitude with regard to Persian affairs.

M. Isvolsky's chief anxiety is lest the agent of the Deutsche Bank should obtain at Tehran a promise of a railway concession. Russian interests would be very seriously affected by the grant of such a concession, which would be much more difficult to prevent than the acceptance of a money advance from the Germans. To block the project of a money advance the Russian veto and our recent joint warning to the Persian Government could be utilised.

I think M. Isvolsky may be forced, in order to avoid the granting of the railway concession, to discuss with the Germans the Bagdad Railway question, a prospect which he does not much relish in the present circumstances.

If M. Isvolsky complies with my request to be furnished with a copy of the German communication I will send you the principal passages of that document by telegraph.

[8952]

No. 366.

Sir A. Nicolson to Sir Edward Grey.—(Received March 14.)(No. 94.)
(Telegraphic.) P.

St. Petersburg, March 14, 1910.

SITUATION at Tabreez.

Disquieting news continues to reach M. Isvolsky from Tabreez. I can see that his Excellency finds it difficult to resist the pressure which is being brought to bear upon him, emanating chiefly from the Viceroy of the Caucasus, to reinforce the troops at Tabreez. The news sent by His Majesty's consul-general at Tabreez, which I communicated to M. Isvolsky, failed to reassure him, and his Excellency doubts if it will be possible to induce Sattar and Bagher Khans to go to Tehran. Yesterday he told me that he would lay before the Committee on Persian Affairs the proposal that the Russian troops should be withdrawn from Kazvin.

The person chosen as the new Governor-General of Khorassan is not acceptable to M. Isvolsky, and his Excellency is annoyed because he was appointed without the Russian Legation having been previously consulted.

[8745]

No. 367.

Sir Edward Grey to Sir A. Nicolson.(No. 126.)
(Telegraphic.) P.

Foreign Office, March 14, 1910.

GERMANY and Persia.

Following points were raised by Count Metternich in conversation to-day. A loan to Persia should, he said, provide for satisfaction of claims of German subjects arising out of late disturbances, since such provision was at our disposal for satisfaction of British claims out of our loans or other payments to Persian Government. German claims amounted to 10,000*l.* I informed him that he was mistaken, and that not even interest on our loans, much less British claims, were being paid at present or would now be paid out of our advance to Persia, which would be entirely expended in the restoration of order in that country.

Claims of foreigners and debts of Persian Government might, I said, come into consideration later if large loan was raised.

He further advanced, as a claim quite consistent with the position established by the Anglo-Russian convention, that Germany should receive equal rights with other neutral Powers in the event of Persian Government employing subjects of such Powers in her administration.

He only raised a definite objection when I pointed out that the employment of additional French officials in the Ministry of Finance was the only question of that

nature now pending. He then urged that such a course would place Persian finances exclusively under French control.

Please inform me how M. Isvolsky proposes to answer German Ambassador. I have reserved my reply to Count Metternich.

Reference is to your telegram No. 92 of the 13th March.

[8745]

No. 368.

Sir Edward Grey to Sir A. Nicolson.

(No. 127.)

(Telegraphic.) P.

GERMANY and Persia.

If German interference is to be averted the first step must be to awake in Persia a feeling of confidence and good-will towards Russia. To gain this end the departure of the troops from Kazvin is necessary. Why should not Russia promise that, provided the joint advance is accepted, together with the six conditions attached, she will withdraw the force? Surely this would advance matters.

As regards German complaint, we should be fully justified in resisting it if the employés in the Ministry of Finance were to be English or Russian, but in the case of Frenchmen our position is somewhat weak, and it might be well for the Persian Government to drop the idea of employing them. Conclusion of loan must be helped on at Tehran by every possible means, and a too rigid insistence on all the conditions is unnecessary.

Reference is to your telegram No. 92 of the 13th March.

[8954]

No. 369.

Sir Edward Grey to Sir A. Nicolson.

(No. 128.)

(Telegraphic.) P.

GERMANY and Persia.

Reference is to your telegram No. 93 of to-day.

As to the question of railway concessions, see the suggestion made in my immediately preceding telegram, which covers it. The chance of averting interference in Persia by third parties largely depends on the speedy establishment of cordial relations between Russia and Persia, and an understanding between the two Governments may be effected on the basis of a withdrawal of Russian troops.

[8975]

No. 370.

Sir G. Louther to Sir Edward Grey.—(Received March 15.)

(No. 146.)

Sir,

Constantinople, March 10, 1910.

WITH reference to your telegram of the 24th ultimo, I have the honour to report that I to-day called on the Persian Ambassador and informed him that the question of his recall to Tehran with a view to his being eventually charged with a mission to London and St. Petersburg in order to endeavour to bring about a more friendly understanding appeared to His Majesty's Government to be one which concerned himself and his Government, and that His Majesty's Government could not give the assurances asked for.

My Russian colleague, who only a day or two ago received instructions somewhat analogous to those sent by you, has also informed the Persian Ambassador of the views of his Government.

The Ambassador, on receiving my communication, observed that under the circumstances it was impossible for him to go to Tehran, and he would place his resignation in the hands of his Government and ask for the payment of the sums due to him and travel in Europe while awaiting events. His Excellency did not appear to be much concerned at this solution. For a long time past the entire expenses of the embassy have been defrayed by him, and his Government owed him the sum of 10,000*l.* Moreover, his Excellency considered the condition of affairs in Persia to be very discouraging, as the Government was entirely at the mercy of a group in Parliament which was

constantly insisting on the dismissal of a fresh Minister. These were extremists who were desirous of establishing in Persia a Government on republican lines in which they would assume the entire power. Were he to proceed to Tehran, it would be likely that he would no longer find in power the Ministers who now wished him to go there to consult with him, and moreover his life would be in danger. His Excellency seemed fully to realise that, if, as he seemed to think was true, the Persian Government had declined to negotiate any further with the British and Russian Governments regarding the loan, there was little likelihood of any request made to Russia to withdraw her troops being favourably received.

His Excellency then went on to speak of the Turkish attitude regarding the frontier. The Porte had recently stated that a commission had been named, and was ready to discuss the matter here with a commission appointed from Tehran, but as the Ottoman Government were apparently indisposed to state on what basis they would discuss, and as the names of the members of the committee were those who were known to have very grasping views as to the frontier and inspired him with no confidence, he had, while forwarding the statement to his Government, expressed the view that the meeting of such a joint commission would be a pure waste of time and would incur a vast expenditure from the Persian Government, which could ill afford it.

Although the Porte had stated that after the meeting of the commission here the frontier would be delimited by a commission on the spot, he himself was absolutely convinced that no arrangement could be come to directly between the Turkish and Persian Governments. The Grand Vizier had insinuated that his Excellency might be the Persian commissioner, but under no conditions would he accept the appointment, for he would only be accused by his countrymen of being a traitor. What Turkey would have been prepared to agree to in 1908 they would not have agreed to in 1909, and what they would have agreed to in 1909 they would indubitably reject now. As Persia became weaker and more disorganised, so the demands of the Turkish Government with regard to the frontier would increase.

I have sent a copy of this despatch to Tehran.

I have, &c.

GERARD LOWTHER.

[9020]

No. 371.

Sir G. Barclay to Sir Edward Grey.—(Received March 15.)

(No. 111.)

(Telegraphic.) P.

Tehran, March 15, 1910.

PLEASE refer to your telegram No. 52 of the 12th March.

To-day the Russian Minister and I are presenting notes to the Persian Government warning them as instructed in your telegram above mentioned. The two notes are similar, except that in the Russian note article 14 of the loan contract is cited.

The Minister of Finance has very confidentially communicated to me that offers of financial assistance have been made to the Persian Government by others as well as by the international syndicate, and his emissary, when pressed, admitted that there had been an offer from Germany, to which no attention was being paid. Whether this offer was made by the German Government or by private individuals is not clear. This communication I have made known to the Russian Minister.

This makes me more suspicious of Castelli, though, according to the Italian Minister, it is with the object of pressing a claim against a Persian subject that he is in Tehran.

[8980]

No. 372.

Sir G. Barclay to Sir Edward Grey.—(Received March 15.)

(No. 112.)

(Telegraphic.) P.

Tehran, March 15, 1910.

HIS Majesty's consul at Tabreez has sent me the following telegraphic communication:—

"Please refer to my telegram No. 24 of the 13th March, in which I reported that the situation here had been grossly exaggerated, and that the Russian reinforcement should be delayed.

"One hundred Cossacks, one battalion of infantry, together with two guns, have arrived at Russian Julfa. The Cossacks, the guns, and two companies of the infantry battalion have advanced over the frontier to Persian Julfa, where, in obedience to orders issued to them not to leave that place, they are at present encamped."

[9090]

No. 373.

Sir G. Barclay to Sir Edward Grey.—(Received March 15.)(No. 113.)
(Telegraphic.) P.

Tehran, March 15, 1910.

NEWS has been received by the Persian Government that the Russian force mentioned in my telegram No. 112 of this morning as having crossed to Persian Julfa has returned to Russian Julfa, having received instructions to that effect.

I learn from M. Poklewsky that orders have been issued to the effect that no further advance on Tabreez is to be made without fresh instructions. My Russian colleague has also given the Persian Government three days for the recall of Bagher and Sattar khans from the town, and he considers that the question of the disarming of their followers can be debated later, if once the two khans leave.

[9091]

No. 374.

Sir A. Nicolson to Sir Edward Grey.—(Received March 15.)(No. 95.)
(Telegraphic.) P.

St. Petersburg, March 15, 1910.

ATTITUDE of Germany towards Persian affairs.

I met M. Isvolsky this afternoon, after he had attended the Duma debate on the Foreign Office budget, and had a hasty interview with him before he left for Tsarskoe Selo to present to the Emperor his weekly report. I had embodied in a private memorandum the substance of the conversation which you had had with the German Ambassador, and your views as to the line which the two representatives should adopt at Tehran, and I left this document with his Excellency. He promised to send a reply when he had looked into the matter. He also promised to give me, very shortly, a copy of the communication sent to him by the German Ambassador here, and remarked that it was very much stiffer than the language which Count Metternich had used to you.

M. Isvolsky then turned again to the subject of Tabreez, and said that he continued to receive disquieting news from that place, while it had been announced in public telegrams that Sattar and Bagher Khans had refused to obey the summons to Tehran. He said that he would hold his hand for a few days, but if the Persian Government had done nothing by that time, then it was possible that steps would have to be taken to strengthen the Russian force at Tabreez. I said that I presumed that the troops would not be moved unless some incident occurred; and I added that our consul at Tabreez had expressed the opinion that any attack on Russian establishments, or on the Russian troops, was highly improbable. M. Isvolsky said that such reassuring reports were all very well, but that the elements from the Caucasus were a danger, and no reliance could be placed on them. I observed that our most pressing and most important work was to checkmate the moves of Germany at Tehran, and the best means of effecting this were indicated in the memorandum, which I was leaving with him.

I fear that unless the fedais calm down, and unless the two khans can be induced to leave Tabreez, M. Isvolsky will find it very difficult to withstand pressure for the despatch of reinforcements to that place.

I am more hopeful as to the withdrawal of the Russian troops from Kazvin.

[9213]

No. 375.

Sir Edward Grey to Sir A. Nicolson.(No. 88.)
Sir,

I INFORMED Count Benckendorff to-day of my conversation with Count Metternich about Persian affairs, as described in my telegram No. 126 of the 14th March to you.

I urged upon Count Benckendorff the bad effect which the news that fresh Russian troops had crossed the frontier at Julfa would have. It would make the Persians still more intractable and more anxious to turn to other Powers. The troops at Kazvin appeared to me to be the key to the whole situation. If the Russian Government were willing to withdraw these troops, I thought they would be able to settle the whole matter of the advance. In my opinion, we might drop the condition as to the employment of additional French officials in the Financial Department. If we were demanding the employment of Russian or British officials in this department we should be on strong ground against the German complaint, as we were the creditors of Persia and therefore had a special interest in the security for our loans. But we were not on strong ground in demanding that the Persians should employ Frenchmen to the exclusion of Germans.

Count Benckendorff raised no objection to what I had urged about the withdrawal of the Russian troops from Kazvin, and he seemed to recognise fully the force of the arguments against their continued presence in Persia.

I am, &c.
E. GREY.

[9095]

No. 376.

Sir A. Nicolson to Sir Edward Grey.—(Received March 16.)(No. 134.)
Sir,

St. Petersburg, March 13, 1910.

ON receipt of your telegram No. 118 of the 8th instant I forwarded an *aide-mémoire* to M. Isvolsky, explaining the propositions which had been made to Messrs. Samuel by the International Syndicate. I now have the honour to forward copy of a reply which I have received from the Imperial Ministry for Foreign Affairs.

I have, &c.
A. NICOLSON.

Enclosure in No. 376.

Aide-mémoire communicated to Sir A. Nicolson by M. Isvolsky.

LE Gouvernement Impérial partage entièrement l'avis du Cabinet de Londres exposé dans l'*aide-mémoire* de l'Ambassade britannique du 24 février (9 mars), année courante, au sujet d'une proposition qui a été faite par le Syndicat international à Messrs. M. Samuel de fournir à la Perse un emprunt de 500,000L. Vu que le paiement des arriérés dus par le Gouvernement persan à la Banque d'Escompte et de Prêts ne se fait effectivement pas avec la régularité nécessaire, le Gouvernement russe ne saurait admettre que la Perse engage les quelques sources de revenus dont elle dispose encore. En outre, le Gouvernement russe ne pourrait pas admettre l'institution d'un contrôle autre que le sien sur des sources de revenus situées dans la zone nord de la Perse. En conséquence, des instructions ont été envoyées au Ministre de Russie à Téhéran le chargeant de se mettre d'accord avec son collègue d'Angleterre pour déclarer au Gouvernement persan que, tant que les arriérés des paiements dus à la Russie et à l'Angleterre ne seront pas intégralement versés aux deux banques, les deux Gouvernements ne peuvent pas consentir à ce que des sources de revenus quelconques de la Perse soient affectées à la garantie d'un emprunt autre que l'avance qui est négociée actuellement. Pour faire au Gouvernement persan la déclaration dont il s'agit, M. Poklewsky se basera principalement sur l'article 14 du contrat relatif à l'emprunt de 1900, en vertu duquel le Gouvernement du Schah s'est engagé de n'émettre aucun emprunt extérieur, en fonds d'état ou valeurs garanties, à moins d'une entente préalable avec le Gouvernement russe.

Saint-Pétersbourg, le 27 février (12 mars), 1910.

[1704]

3 P

[9199]

No. 377.

Messrs Samuel and Co. to Foreign Office.—(Received March 16.)

Sir,
*Shell House, 104-5, Bishopsgate Street Within,
 London, March 14, 1910.*

WE are obliged to you for your letter of the 12th instant, from which we see it is quite clear that, at the present moment, we cannot undertake any financial business for the Persian Government. Should there be any change in the position of affairs, owing to the Persian Government making up the arrears in their payments to His Majesty's and the Russian Governments and to the banks named by you, we should esteem it a favour if we could have information to this effect, in order that we may take up the matter once again.

We remain, &c.
 M. SAMUEL AND CO.

[9201]

No. 377^a.*Sir G. Barclay to Sir Edward Grey.—(Received March 16.)*(No. 114.)
 (Telegraphic.) P.*Tehran, March 16, 1910.*

INTERNATIONAL Syndicate.

In continuation of my telegram No. 111 of the 15th March, I have the honour to report that my Russian colleague and I yesterday handed our notes to the Prime Minister owing to the disorganisation of the Ministry for Foreign Affairs consequent upon the Acting Minister for Foreign Affairs' desire to resign. We expressed our surprise verbally that the Persian Government should have been engaged secretly in negotiations with the above-mentioned syndicate, and we asked that a reply to our conditions for the joint advance should be made to us. Reply of Persian Government would, Prime Minister gave us to expect, be in the form of an enquiry regarding the conditions on which the two Governments would grant the larger loan mentioned in condition 6, necessary for conversion purposes.

M. Poklewski took the opportunity of declaring to Prime Minister that the Russian Government could not admit that the sources of revenue in the Russian sphere should be under any eventual outside control except that of Russia.

[9202]

No. 378.

Sir G. Barclay to Sir Edward Grey.—(Received March 16.)(No. 115.)
 (Telegraphic.) P.*Tehran, March 16, 1910.*

MY Russian colleague has made representations respecting the most unsuitable appointment of the new Governor-General of Khorassan. In this connection please see last paragraph of Sir A. Nicolson's telegram No. 94 of the 14th instant.

I now learn that it has been cancelled in consequence of M. Poklewski's action.

[9222]

No. 379.

Sir A. Nicolson to Sir Edward Grey.—(Received March 16.)(No. 97.)
 (Telegraphic.) P.*St. Petersburg, March 16, 1910.*

GERMANY and Persia.

As I thought the views which I expressed to M. Isvolsky yesterday would be the better of a little reinforcement, I this morning addressed to his Excellency a private letter, in which I laid stress on the complications which would ensue if a third Power were to participate in the Persian question. I argued that the only way to obviate this eventuality was to induce the Persian Government to accept, without delay, our joint advance, together with the conditions attaching to it. I said that it was most desirable that something should be done to allay the suspicions and remove the hesitations, both of the Medjlis and of the Persian Government. I said that an

excellent effect would almost certainly be produced if the Russian troops were recalled from Kazvin, and I suggested that their recall might be promised, conditionally, on the acceptance of our advance. I begged that reinforcements should not be sent to Tabreez, pointing out that all hope of the acceptance of our conditions might be destroyed by such a step, and that the Persians might thereby be induced to turn to a third Power. I said that, according to the information which had reached me, the Russian troops and Russian institutions at Tabreez were in no danger of an attack; and I urged, finally, that any appeal on the part of Persia to the goodwill and assistance of a third Power would bring about a much more difficult situation than that at present existing at Tabreez, and one which would be of a more permanent character.

[9091]

No. 380.

Sir Edward Grey to Sir G. Barclay.(No. 57.)
 (Telegraphic.) P.*Foreign Office, March 16, 1910.*

SITUATION at Tabreez.

Please refer to telegram No. 95 of 15th March from St. Petersburg.

It is very desirable that Sattar and Bagher Khans should at once leave the town, and every effort should be made by the Persian Government to bring this about.

[9217]

No. 381.

Sir Edward Grey to Sir A. Nicolson.(No. 132.)
 (Telegraphic.) P.*Foreign Office, March 16, 1910.*

GERMANY and Persia.

M. Isvolsky, so I am informed by Count Benckendorff, considers it probable that the German Government will ask that the conditions attached to our joint advance should be communicated to them, and enquires my views. He is himself prepared to communicate them. I replied that I had no objection to the German Government being told *à titre d'information*, but that in that case he would have to answer the objections raised by them, since they probably only desired to know the conditions officially in order that they might take exception to them. They are, no doubt, already acquainted with the conditions through Persian channels.

[9218]

No. 382.

Sir Edward Grey to Sir A. Nicolson.(No. 133.)
 (Telegraphic.) P.*Foreign Office, March 16, 1910.*

RUSSIAN troops in Persia.

I have represented strongly to Russian Ambassador that to reinforce the troops at Tabreez while at the same time not withdrawing the force from Kazvin would produce a most unfortunate impression. I pointed out that the prolonged retention of the Kazvin force was most difficult to explain adequately.

[9431]

No. 383.

M. Isvolsky to Count Benckendorff.—(Communicated to Foreign Office March 17.)

(Secret.)

(Télégraphique.)

Saint-Pétersbourg, le 4 (17) mars, 1910.

NOUS aimerais connaître le sentiment de Sir Edward Grey au sujet du mémorandum allemand dont nous vous transmettons d'autre part le texte; nous aimerais savoir aussi si pareille démarche a été également faite à Londres.

De notre côté, nous sommes portés à y voir une tentative dans le but de nous amener à une reprise des négociations concernant le Chemin de Fer de Bagdad, plutôt qu'une intention sérieuse de la part du Gouvernement allemand d'intervenir dans les affaires persanes.

Nous n'en serons pas moins obligés de donner au Gouvernement allemand des explications complémentaires concernant la question des sept Français qu'il s'agit d'engager à titre d'adjoints du conseiller financier. En plus des considérations exposées dans ma précédente lettre, nous serions d'avis d'ajouter que dans la condition posée par nous à ce sujet à propos de l'avance, nous avions en vue le nombre des adjoints et non leur nationalité, et que les Français étaient reconnus comme convenant le mieux comme compatriotes de Bizot.

Si dans la suite il se trouvait nécessaire de faire à ce sujet une concession à l'Allemagne, nous serions d'avis d'admettre le remplacement des Français par des Belges, des Suisses, ou des sujets d'autres pays complètement neutres.

Pour ce qui est du Chemin de Fer de Bagdad, nous serions disposés à répondre au Cabinet de Berlin que, quoique tout disposés à examiner cette question conjointement avec l'Angleterre et la France, nous ne nous refusons cependant pas à des négociations directes avec l'Allemagne, ainsi que cela a été mentionné dans l'aide-mémoire remis à l'Ambassadeur d'Angleterre le 12 décembre dernier.

Veuillez nous télégraphier le résultat de votre conversation avec Sir Edward Grey.

Enclosure in No. 383.

German Memorandum communicated to Russian Government.

(Très Confidential.)

ON ne saurait interpréter la réserve que l'Allemagne a observée en Perse comme si le Gouvernement allemand avait cessé d'envisager la Perse comme pays indépendant, dans lequel l'Allemagne a le droit de régler les questions qui l'intéressent, sans prendre en considération les intérêts de tierces Puissances. Le Gouvernement russe avait proposé au Gouvernement allemand un arrangement relatif aux affaires de Perse et au Chemin de Fer de Bagdad. L'Allemagne s'était montrée disposée à entrer en pourparlers. Cependant, depuis la fin de 1907 le Gouvernement russe n'a plus fait de communication à ce sujet. Au contraire, il a agi dans plusieurs cas d'une façon qui paraît ne pas tenir suffisamment compte des intérêts de l'Allemagne. L'engagement au service persan de sept Français en qualité d'adjoints de Bizot paraît être une condition essentielle pour l'emprunt. Cette condition remplie, l'Allemagne serait exclue d'une partie des plus importantes de l'intérieur de la Perse, tandis que la France y serait admise, ce qui ne manquerait pas de froisser l'Allemagne. Le Gouvernement persan, de son côté, serait sans doute tout disposé à demander à l'Allemagne des agents différents. Quant au Chemin de Fer de Bagdad, le Gouvernement russe paraît continuer à être partisan de négociations à quatre, ce que le Gouvernement allemand a en principe déclaré ne pas pouvoir admettre. L'attitude de la Russie dans ces questions ne semble guère empreinte de la prévenance à laquelle l'Allemagne s'attendait après avoir observé en Perse la réserve la plus loyale. Le Gouvernement allemand fait connaître que cette réserve ne saurait aller jusqu'à empêcher toute tentative des milieux commerciaux et financiers allemands de chercher en Perse un terrain d'activité. Voilà pourquoi le Gouvernement allemand ne s'est pas opposé à ce qu'un agent de la Deutsche Bank se rende prochainement en Perse pour faire un voyage d'information à Bagdad par Khanékine.

[9256]

No. 384.

India Office to Foreign Office.—(Received March 17.)

Sir,

India Office, March 16, 1910.
I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 9th instant on the subject of the relief of the naval Maxim gun detachment at Shiraz. Viscount Morley will bear in mind the wishes of the Lords Commissioners of the Admiralty, and the Government of India will be instructed to be prepared to relieve the detachment as soon as His Majesty's Minister at Tehran advises that it is possible to do so, half the cost being charged to Imperial funds. Sir G. Barclay will doubtless at the same time be requested to consider whether it may not be possible to withdraw the detachment altogether, an object that Lord Morley thinks of great importance from the Indian point of view.

I am, &c.
R. RITCHIE.

[9331]

No. 384^o.

Sir G. Barclay to Sir Edward Grey.—(Received March 17.)
(No. 116.)
(Telegraphic.) P.

Tehran, March 17, 1910.

PLEASE refer to my telegram No. 15 of the 14th January last.

Three extra months have been added to the period of contract between the present Financial Adviser and the Persian Government. This arrangement under the circumstances is perhaps the best that could be made, as the adviser is not agreeable to a complete two years' renewal, and before the end of these additional three months it should become known whether the Persian Government intend to engage the seven French assistants, or whether a successor is to be appointed to M. Bizot.

For some time past M. Bizot has been anxious to return to France, and he has now been granted three months' leave of absence. He is leaving to-day, but should the financial assistants be engaged he will return and start them in their work.

[9335]

No. 385.

Sir G. Barclay to Sir Edward Grey.—(Received March 17.)
(No. 117.)
(Telegraphic.) P.

Tehran, March 17, 1910.

IN reply to your telegram No. 57 of the 16th March, I am assured by the Sardar Assad that Bagher and Sattar Khan start to-day from Tabreez.

[9336]

No. 386.

Sir G. Barclay to Sir Edward Grey.—(Received March 17.)
(No. 118.)
(Telegraphic.) P.

Tehran, March 17, 1910.

PERSIAN Prime Minister has denied to my Russian colleague that Germany had offered Persia financial assistance, allusion to which I made in my telegram No. 111 of the 15th instant. I consequently enquired further of the Finance Minister, who informed me that the offer came from private individuals, but that, were the matter investigated, there would be little doubt that the individuals in question had received encouragement from official quarters. So certain had he been of this that, realising fully the madness of dallying with another Power, he had taken no notice of the offer. So long as he remained Minister of Finance, he added, there would be no financial engagements between Germany and Persia.

A salutary impression has, I believe, been made by the warning of the two Governments.

[9337]

No. 387.

Sir G. Barclay to Sir Edward Grey.—(Received March 17.)
(No. 119.)
(Telegraphic.) P.

Tehran, March 17, 1910.

IN the course of a conversation with Mr. Churchill to-day, the Minister of Finance said that, great though the immediate need of money was, such was the present state of public feeling that to present our conditions to the Medjlis would be quite useless, for in their present form that body would be certain to reject them.

The Minister of Finance was advised by Mr. Churchill to make a communication in this sense to the two legations.

[9339]

No. 388.

Sir A. Nicolson to Sir Edward Grey.—(Received March 17.)

(No. 98. Confidential.)

(Telegraphic.) P.

St. Petersburg, March 17, 1910.

ATTITUDE of Germany towards Persian affairs.

My telegram No. 93 of the 14th March. Following is a summary of the more important passages in the German communication to the Russian Government, a copy of which has been given to me confidentially by M. Isvolsky:—

With reference to the memorandum of the 18th January, in which the Russian Government expressed their satisfaction at the recognition by the German Government of the special position of Russia and England in Persia, the German Government points out that Russia must not interpret the reserved attitude which Germany has in fact adopted in Persia as indicating that Germany has ceased to regard Persia as an independent Power or as a country in which she has the right to settle questions of interest to herself, quite independently of the interests of third Powers. According to the German view, the Anglo-Russian Convention has not changed the situation in Persia. The principle of liberty of commerce for all nations has been asserted by England and Russia, and an arrangement with regard to Persian affairs and the Bagdad Railway had been proposed by Russia herself to the German Government. Germany had been quite prepared to discuss an arrangement of such a kind, but no communication on the subject has been received from the Russian Government since the end of 1907. On the contrary, on several occasions the Russian Government have acted in a manner calculated to give the impression that they did not sufficiently consider Germany's legitimate desires.

The communication then makes mention of the proposed appointment of Frenchmen as financial advisers, and says that if this intention is carried out, an important branch of the Persian administration will be closed to Germany. It states that the Persian Government, if it were not certain that Russia would make difficulties, would without doubt be quite ready to ask Germany to furnish financial agents.

With regard to the Bagdad Railway, the German Government have from the beginning declared that negotiations *à quatre* were inadmissible, while the Russian Government appear to persist in their partisanship for that method of dealing with the question.

The communication goes on to observe that the attitude of Russia in the two questions indicated above does not seem to the German Government to be marked by that consideration which Germany, after the loyal reserve which she had observed in Persian affairs, considered that she had a right to expect. The German Government, therefore, wish the Russian Government to know that this reserve in Persian affairs cannot be maintained to such a point as to hamper the efforts of German commercial and financial circles to find in Persia an outlet for their activity. These are the considerations which led the German Government to offer no objection when the Deutsche Bank expressed their intention of sending an agent to make a journey of investigation to Bagdad by way of Khanikin, and when they chose M. Said Ruete for that purpose.

[9431]

No. 389.

Sir Edward Grey to Sir G. Barclay.

(No. 61.)

(Telegraphic.) P.

Foreign Office, March 17, 1910.

ASSISTANTS in Persian finance department.

In view of attitude of German Government, who, as you will know from the telegrams exchanged, object to engagement of Frenchmen to the exclusion of persons of other nationalities, I should be glad to learn whether M. Bizot or his successor could possibly work with Russian or English officials, or, if there is no other way out of the difficulty, with subordinates chosen from some small neutral European State.

[9201]

No. 390.

Sir Edward Grey to Sir A. Nicolson.

(No. 134.)

(Telegraphic.) P.

LOAN to Persian Government.

In connection with telegram No. 114 of yesterday from Tehran you should suggest to M. Isvolsky that a reply should be given to the Persian Government on the following lines:—

That the two Governments cannot define the financial conditions which would be attached to a large loan, as the decision of this point must depend to some extent on such circumstances as the state of the money market at the time, but that they would exact no conditions of a political nature except that the expenditure of the loan should be under the control of the same commission as was by agreement entrusted with the control of the outlay of the joint advance, and that all claims of foreign Powers should be paid from the loan.

[8524]

No. 391.

Foreign Office to India Office.

Sir,

Foreign Office, March 17, 1910.

I AM directed by Secretary Sir Edward Grey to inform you that he forwarded on the 17th January to His Majesty's Minister at Tehran copy of your letter of the 13th of that month, together with copy of that of the 10th November last, with instructions to present to the Persian Government, with the necessary explanations, the accounts of the expenditure incurred in the construction of the Central Persia telegraph line.

I am to transmit to you herewith copy of a telegram sent by Sir G. Barclay on the receipt of these instructions suggesting that, if the Persian Minister of Telegraphs repeats a request which he has already made to be furnished with these accounts for use in the debate in the Medjlis which will shortly take place on the subject of the Arabistan telegraph agreement, the claim for establishment made under article 2 of the convention of the 16th August, 1901, amounting to 6,438*l.*, should be dropped, as its inclusion would be likely to prejudice the chances of ratification of that agreement by that Assembly.

I am to state that, in view of the arguments advanced by Sir G. Barclay, Sir E. Grey is disposed to recommend the suggestion to the favourable consideration of Viscount Morley if the contemplated contingency should actually arise.

I am, &c.

LOUIS MALLET.

[8935]

No. 392.

Foreign Office to Anglo-Persian Oil Company.

Sir,

Foreign Office, March 17, 1910.

WITH reference to my letter of the 12th instant relative to the desire of your company to place a launch and barges on the Upper Karun for the transport of material for use in connection with the exploitation of their oil-fields, I am directed by Secretary Sir Edward Grey to inform you that, according to a further telegram from His Majesty's Minister at Tehran, the Persian Acting Minister for Foreign Affairs has stated that his Government will grant permission for the temporary use of the launch, and has asked for how long it will be needed.

Sir G. Barclay has replied that this would depend on the requirements of the concession, and the Acting Minister has suggested that the permission should be given for one year.

Sir G. Barclay points out that, as the launch is expected to arrive at Mohammerah immediately and as the local agents of your company threaten to claim 500*l.* a-day for

delay, the matter is urgent, and that, if he insisted on the permission granted being permanent, the matter might have to be referred to the Medjliss, while in any case much delay would occur.

He has therefore accepted the Acting Minister's suggestion, with the reserve that he will expect the renewal of the permission at the end of the year for which it is granted.

I am to express Sir E. Grey's hope that this arrangement, which appears to him satisfactory, will meet the views of your company.

I am, &c.
LOUIS MALLET.

[9380] No. 393.

India Office to Foreign Office.—(Received March 18.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Viscount Morley, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 15th March, relative to the naval detachment at Shiraz.

India Office, March 17, 1910.

Enclosure in No. 393.

Viscount Morley to Government of India.

(Telegraphic.) P.

India Office, March 15, 1910.

IT is the desire of the Admiralty that naval detachment at Shiraz should, as soon as Sir G. Barclay advises that it can safely proceed to coast, be relieved by Indian troops. Its complete withdrawal may, I trust, be possible at same time. I assume in the meantime you might be ready to effect relief if it were shown to be inexpedient to withdraw the men.

[9429] No. 394.

Sir G. Barclay to Sir Edward Grey.—(Received March 18.)

(No. 120.)

(Telegraphic.) P.

Tehran, March 18, 1910.

SATTAR and Bagher khans.

Please refer to my telegram No. 117 of the 17th March.

His Majesty's consul at Tabreez telegraphs as follows:—

"Order from central Government to Sattar and Bagher to leave the town immediately was communicated yesterday by the Governor-General to the two khans. The former refused insolently, but appears to have made his departure conditional on an offer of money. I am informed that he demanded 10,000 tomans. There seems to be some hope, however, of the matter being terminated satisfactorily and negotiations are proceeding."

Similar information has been received by Russian consul-general.

[9432] No. 395.

Sir G. Barclay to Sir Edward Grey.—(Received March 18.)

(No. 121.)

(Telegraphic.) P.

Tehran, March 18, 1910.

SATTAR and Bagher khans.

In continuation of my telegram No. 120 of to-day, I have the honour to transmit the following message received from His Majesty's consul at Tabreez:—

"Governor-General has just officially informed my Russian colleague that Sattar and Bagher will leave Tabreez at 2 o'clock to-morrow (Saturday) afternoon, accompanied by horsemen. Governor-General also stated to M. Miller that the sum of 3,500 tomans was being given to them, of which 2,500 tomans were destined for their horsemen, and 1,000 tomans for themselves."

[9443]

No. 396.

Sir G. Barclay to Sir Edward Grey.—(Received March 18.)

(No. 122.)

(Telegraphic.) P.

Tehran, March 18, 1910.

IN reply to your telegram No. 61 of the 17th March, I have the honour to report that I have confidentially approached M. Bizot, and I find that he anticipates very great difficulties in any arrangement whereby a French adviser would have to work in conjunction with assistants of any other nationality; but as you are aware (please refer to my despatch No. 4 of the 23rd January) he is of opinion that, in the event of the engagement of the seven foreign experts recommended in his report, a financial adviser will no longer be necessary.

[9441]

No. 397.

Sir A. Nicolson to Sir Edward Grey.—(Received March 18.)

(No. 100.)

(Telegraphic.) P.

St. Petersburg, March 18, 1910.

YOUR telegram No. 134 of the 17th March: Persian finances.

I saw M. Isvolsky to-day, and left with him a memorandum in which I had embodied the proposal of His Majesty's Government as to the reply which should be given to the Persian Government in the event of their enquiring as to the conditions which the two Governments would attach to a large loan. M. Isvolsky said that he thought there must be some misunderstanding. He had received a telegram from the Russian Minister in Tehran, from which it would appear that the Persian Government probably intended to drop the question of the small joint advance, and ask for the immediate opening of negotiations for a big loan. If this course were adopted, the Russian Government considered that the two Governments must insist on attaching to the loan all the conditions which they were now demanding for the small advance, and more especially conditions Nos. 3 and 4.

I remarked that, in the circumstances indicated, the view of the Russian Government would obviously be the correct one, but added that I had not heard that there was any intention on the part of the Persian Government to broach at once the question of a large loan, though I had heard that the chances of the Medjliss accepting the conditions attached to our small advance were small or non-existent.

[9442]

No. 398.

Sir A. Nicolson to Sir Edward Grey.—(Received March 18.)

(No. 101.)

(Telegraphic.) P.

St. Petersburg, March 18, 1910.

SITUATION at Tabreez.

This afternoon, M. Isvolsky read me a telegram which had just come in, in which it was stated that Sattar Khan, in reply to the second summons to proceed to the capital, had given a decided refusal, while Baghir Khan, as a condition of his obeying the summons, had demanded a sum of 10,000 tomans. The governor and ephrem pleaded their inability to resort to forcible measures.

There is to be a meeting of the Persian Committee to-night, and M. Isvolsky much doubts whether he will be able to resist the pressure which will be brought to bear upon him to send reinforcements to Tabreez to strengthen the Russian detachment there. His Excellency said that at the meeting he would propose the withdrawal of the Kazvin force.

M. Isvolsky expressed the opinion that more effect would be produced by a determined attitude on the part of the Russian Government than by any conciliatory

[1704]

words. His Excellency does not attach serious importance to the Medjlii, though I pointed out that the Persian Government, if left to themselves, would probably have accepted their proposals for an advance, whereas the Medjlii had been able to block them. His view is that it is the rabble which dominates the Medjlii.

I trust that M. Isvolsky will succeed in getting the force withdrawn from Kazvin, but I fear that the reinforcement of the Tabreez detachment is more than probable. He stated that, owing to lack of accommodation, &c., it was impossible to keep troops at Julfa for any length of time, and I suspect that any movement is more likely to be in a forward than a backward direction.

[8503] No. 399.

Sir Edward Grey to Sir G. Barclay.

(No. 62.)
(Telegraphic.) P.

Foreign Office, March 18, 1910.

SURTAX and road guards (see your telegram No. 25 of the 22nd January last).

Your proposals as to surtax in all South Persian ports and as to road guards have now been accepted by Board of Trade. You should urge Persian Government to agree, as soon as you find a favourable opportunity of bringing the subject forward.

[8172] No. 400.

Sir Edward Grey to Sir A. Nicolson.

(No. 118.)
(Telegraphic.) P.

Foreign Office, March 18, 1910.

LOAN to Persian Government.

We are informed by Messrs. M. Samuel that they have been offered the option of making a loan to the Persian Government. The offer comes from a company called "The International Oriental Syndicate (Limited)." The loan is to amount to 200,000*l.* at once, and a further 300,000*l.* to be advanced later. Messrs. Samuel know nothing of this syndicate.

The security is to be as follows:—

1. Interest held by Persian Government in D'Arcy oil concession.
2. Mint profits.
3. Receipts of postal and telegraph departments, after deducting that portion of them pledged to the Government of India in 1903 and 1904, and uncharged State revenues generally.

Both the Anglo-Persian Oil Company and ourselves would entertain strong objections to the first item on this list.

The Persian nation would have no power to revoke this loan, as both it and the securities pledged for it would receive the sanction of the Medjlii.

The anxiety of the Persian Government to proceed by way of private loan in satisfying their financial needs explains the smallness of the actual liability involved in proportion to the annual value of the securities.

It is believed that the Persian Government are in arrears in their payments to Russia; it is certain that they are so in those to the Imperial Bank and His Majesty's Government. This being so, we can hardly see with equanimity the loss by the Persian Government of their remaining assets. But although for these reasons we do not desire to give Messrs. Samuel any support, yet it would be preferable that they should make the loan than that some foreign bank, possibly German, should do so.

Please acquaint M. Isvolsky with the above, and suggest the following joint communication to the Persian Government: that the two Governments cannot sanction the pledging of any sources of public revenue as security for advances other than the proposed joint advance so long as not only the two banks but also the two Governments are not receiving the payments due to them, and so long as negotiations are still proceeding for a joint advance.

It would be undesirable to give fresh life to the prevailing agitation in Persia against Russia, and we hope, therefore, to avoid having recourse to the right of veto possessed by the Russian Government in virtue of the loan contract; but if the above arguments should fail, I presume that that right would be applicable to this case.

[9222]

No. 401.

Sir Edward Grey to Sir A. Nicolson.

(No. 136.)

(Telegraphic.) P.

RUSSIAN troops in Persia.

His Majesty's Government entirely approve language used by you in your letter to M. Isvolsky as reported in your telegram No. 97 of the 16th March.

[9429]

No. 402.

Sir Edward Grey to Sir A. Nicolson.

(No. 137.)

(Telegraphic.) P.

Foreign Office, March 18, 1910.

TEHRAN telegram No. 120 of to-day.

Russian Government will, I hope, be disposed to allow a little time for negotiation regarding departure of Sattar and Bagher Khans.

[9431]

No. 403.

Sir Edward Grey to Sir A. Nicolson.

(No. 90.)

Sir,

Foreign Office, March 18, 1910.

I GAVE Count Benckendorff to-day a memorandum, of which a copy is enclosed,* as expressing my views on the reply which M. Isvolsky proposed to give to the German note about Persia.

I said that, if M. Isvolsky agreed with it, I proposed to speak in the same sense to Count Metternich, to whom I had not yet given a final reply.

I added that if Germany went further, and objected to the railway conditions being made with Persia, I thought we ought to be very stiff about those, as they involved political and not commercial considerations.

I am, &c.
E. GREY.

[9431]

No. 404.

Memorandum communicated to Count Benckendorff, March 18, 1910.

THE Secretary of State is much obliged to M. Isvolsky for communicating to him the note from the German Government respecting the affairs of Persia and the outline of the reply which his Excellency proposes to return to them. Sir Edward Grey has already informed Sir A. Nicolson of the communication made to him by the German Ambassador on the 7th instant so that he need not revert to that point, but he is glad of the opportunity offered to him by M. Isvolsky of giving his views on the German communication and of the manner in which it should be answered.

He agrees with M. Isvolsky in thinking that it would be advisable to refer the German Government again to the reply already made to them respecting the financial assistants, but he feels that it would be inadvisable to say that the two Governments in making this condition had more in mind the question of numbers than nationality, for it would open the door to a request for the employment of German assistants.

He would suggest that it would be as well to express regret that the explanations then offered are not satisfactory and to repeat that it was the Government of the Shah who applied to the French Government on the advice of M. Bizot for two "adjoints" in January 1909. These two "adjoints" and a director of registration together with four minor assistants were included in the condition recently put before the Persian Government.

As the scheme of financial reforms was drawn up by M. Bizot it is natural that he should recommend that it should be carried out by Frenchmen, but neither the British

* No. 404.

nor Russian Governments consider the appointment of four additional assistants to be an indispensable condition of the advance. It is, indeed, doubtful whether they will be necessary at all.

The Russian Government might express surprise at the objection put forward by the German Government as they are not aware that they ever objected to the employment of Belgians in the customs.

With regard to the German argument that the engagement of seven Frenchmen in the financial department would be injurious to German interests and would exclude Germany from an important part in the internal affairs of Persia and as to her warning that the attitude of Russia in this and the railway question must not go so far as to exclude German financial and commercial interests from Persia, it might be worth while to say that the establishment of the Persian finances on a sound basis is an indispensable preliminary to the maintenance of the economic and political independence of Persia and of the open door, and would benefit instead of injuring German and all foreign trade.

On the other hand, Germany accepted the special position of the two limitrophe Powers and it appears to follow therefrom that these two Powers whose political and financial interests are more closely affected than those of any other Powers by the anarchy at present reigning in Persia, have the right and duty of giving advice to Persia in the matter of financial reform which is the basis of every other reform.

As regards the Bagdad railway, Sir E. Grey has nothing to say except that the answer proposed by M. Isvolsky appears to accord with the attitude we proposed to adopt to Russia and France in connection with the Cassel Gwinner negotiations.

Sir E. Grey presumes that M. Isvolsky would not come to any final agreement with Germany in connection with the Bagdad railway without giving him and the French Government an opportunity of expressing their opinion.

Sir Edward Grey attaches some importance to the point respecting the employment of Belgians in the customs administration for it may have the effect of extracting from the German Government some admission to the effect that their objection would not apply in the case of subjects of a minor Power like Belgium, and this would afford a good way out of the difficulty.

C. H.

Foreign Office, March 18, 1910.

[9812] No. 405.

Sir Edward Grey to Sir G. Barclay.

(No. 63.)
(Telegraphic.) P.

Foreign Office, March 19, 1910.

DISTURBANCES at Shiraz.

I am informed by Anglo-Jewish Association that an attack has been made by fanatics on the staff of the schools of the Alliance israélite universelle at Shiraz, and that the staff have taken refuge in His Majesty's consulate. Their information comes to the association from Paris.

You should do all you can, in concert with your French colleague, whom the alliance have telegraphed direct, to ensure the safety of the refugees.

[9584] No. 406.

Sir G. Barclay to Sir Edward Grey.—(Received March 20.)

(No. 123.)
(Telegraphic.) P.

Tehran, March 20, 1910.

MR. SHIPLEY telegraphs that Sattar and Bagher khans set out from Tabreez at 5 o'clock on the afternoon of the 19th instant. Each had fifty mounted followers and were accompanied by some of Yprim's men and some Persian Cossacks. Basmitch will be their first stage: it is two hours distant from the town, and there is a report that they may remain there for the Persian New Year's Day, which falls in four or five days. The town is perfectly quiet, and no incident was caused by their departure.

[9581]

No. 407.

Sir A. Nicolson to Sir Edward Grey.—(Received March 20.)

(No. 102.)
(Telegraphic.) P.

St. Petersburg, March 20, 1910.

PERSIA.

At an interview which I had with M. Isvolsky to-day, his Excellency informed me that the Russian troops which had been dispatched to Julfa have now been withdrawn to Erivan, and that it had been decided in principle by the Persian Committee here that the troops should also be withdrawn from Kazvin. M. Isvolsky is consulting M. Poklewsy as to whether some arrangement could not be come to before the withdrawal is effected, involving the settlement of some minor questions outstanding between Russia and Persia, and the acceptance by the latter of our advance.

[9633]

No. 408.

Sir G. Lowther to Sir Edward Grey.—(Received March 21.)

(No. 148.)
Sir,

Constantinople, March 13, 1910.

I HAVE the honour to transmit herewith translation of a note addressed by the Persian Ambassador on the 5th instant to the Sublime Porte, and a copy of which was communicated to me by his Highness, on the subject of the Turco-Persian frontier.

I have sent a copy of this despatch to Tehran.

I have, &c.

GERARD LOWTHER.

Enclosure in No. 408.

Persian Ambassador to Sublime Porte.

(Translation.)

I HAVE just been informed by the Persian Under-Secretary for Foreign Affairs that, in spite of the undertaking and assurance that the Ottoman troops should be withdrawn from Nakidé and those parts of Persia recently wrongfully occupied, not only have the said troops not yet returned from the Nakidé and Selduz districts of Persia, but numerous acts of aggression have taken place. Enzel, Bul, and Azihé, which are integral parts of the Persian territory, have recently been occupied; in certain parts of Urumia and Soujboulak customs dues have been levied, and taxes have been taken from some of the villages; the Soujboulak-Urumia road has also been blocked, and the Tabreez-Urumia road has also been cut and traffic prevented; and, as was announced by telegraph some days ago, Sheikh Abd-ul-Kader, son of Sheikh Abd-ullah, is engaged in causing a great disturbance and trouble in Urumia and its surroundings. A translation of the telegram from my Ministry, relating to the seditious acts of the said Sheikh Abd-ul-Kader, was handed to your Excellency during the course of the interview last Saturday, and I have the honour to beg your Excellency to send telegraphic instructions to the proper quarters for the said sheikh to be summoned to Constantinople at once; for the Ottoman troops to evacuate those parts of Persia which they recently occupied; and for such acts as levying taxes on Persians and setting up customs dues to be immediately stopped.

March 5, 1910.

[9719]

No. 409.

Sir A. Nicolson to Sir Edward Grey.—(Received March 21.)

(No. 137.)
Sir,

St. Petersburg, March 17, 1910.

YESTERDAY the "Russ," an advanced Liberal paper, published the following article on Russian troops in Persia:—

Telegraphic information to the effect that Sattar Khan has decided to close the bazaars at Tabreez by force, if necessary, so as to deprive the Russian troops there of

[1704]

3 S

all sources of provision, must be read with caution, as Sattar is scarcely likely to decide on a measure foredoomed to failure and therefore likely to reflect unfavourably on his prestige. Such a closing of the bazaars would inflict a serious blow on local trade, but the Russian troops would not suffer, as there must be neighbouring villages ready to sell the necessary provisions at a good market price, and Sattar Khan and his followers cannot prevent such provisions, if fairly bought, being delivered to the troops. If the attempt is made and violence is used the Russian troops may be trusted to meet the difficulty. Immediate steps should be taken for the victualling of the troops from Russia, without waiting for Sattar to carry out his threat. If this system were established the only losers would be the local contractors. An outbreak of bad feeling between the inhabitants and the Russian column at Tabreez would be most regrettable. It will be all the more regrettable if the necessity of securing provisions for the troops leads to even the slightest repression, but the guilt will rest with Sattar and his followers, who have evidently not yet grasped the reasons which compel the presence of Russian troops in Persia. At the present time Russian troops are to be found at three places—Tabreez, Ardebil, and Kazvin—and all these places are less than 100 versts from the Russian frontier or the shores of the Caspian. The object of each column is distinct. That at Kazvin is to ensure the safety of the foreign missions and of the foreign population in general at Tehran. At one time, when there was a danger of Rabim Khan advancing on Tehran, the importance of the column was very great. Now with the flight of Rabim into Russian territory, it has lost its significance. The Ardebil column guards the caravan route from Astara via Ardebil and Sarab to Tabreez. As the Persian Government has up to the present done nothing towards subduing the Shahsevans, the presence of this column at Ardebil is absolutely necessary. Russian frontier posts in this region are subjected to constant attacks by Persian mountaineers, and every year some of these guards fall victims to the bullets of these bandits. The last case when a Russian officer of the frontier guard was killed remains unpunished, and the Persian Government, notwithstanding repeated assurances, have never paid compensation. Such a condition of affairs, apart from the patrolling of the caravan route, makes the withdrawal of the column out of the question. Finally, the Tabreez force is charged with keeping order in this commercial centre, which is the most important trade mart for Russian goods in North-west Persia. The lamentable condition of the so-called troops of Sattar and Bagher Khans, which are nothing more than an undisciplined horde of armed individuals, compels our force to prolong its stay at Tabreez. The departure of the Russian column would be immediately followed by a disturbance of the peace in that town. Thus, the departure of the Russian troops depends on the speed with which the Persian Government takes measures for the restoration of tranquillity. The only place from which there can be any question of the withdrawal of the troops is Kazvin. In well-informed circles this withdrawal has long been talked of, and it is to be hoped that this step will be taken as soon as possible. We consider that the agitation which is being carried on by Sattar Khan at Tabreez should not be allowed to affect any decision which may be taken as regards the Kazvin force. The departure of the troops from Kazvin would produce a favourable impression, not only in Tehran but throughout North-west Persia.

I have, &c.

A. NICOLSON.

[9921]

No. 410.

Memorandum communicated to German Ambassador by M. Isvolsky.—(Communicated to Foreign Office by Count Benckendorff March 21, 1910.)

SE conformant strictement aux principes établis par la convention anglo-russe concernant la Perse, le Gouvernement Impérial n'a pas eu en vue d'entraver de quelque façon que ce soit la liberté de commerce d'autres nations dans ce pays.

Le Gouvernement Impérial ne peut néanmoins se départir du point de vue exposé dans l'aide-mémoire du Ministre des Affaires Etrangères du 18 janvier et maintient le principe en vertu duquel la Russie et l'Angleterre, ayant de vastes intérêts en Perse et étant plus affectées que toutes les autres Puissances par l'anarchie actuelle, doivent de ce chef jouir d'un droit prépondérant de guider la Perse de leurs conseils en matière de réformes financières—base de toute autre réforme.

Le Gouvernement russe croit inutile d'ailleurs d'insister sur ce point, le principe en question ayant été reconnu à plusieurs reprises par le Gouvernement allemand.

En outre, la remise en ordre normal des finances persanes constitue une condition indispensable pour le maintien de l'indépendance politique et pour le développement économique de la Perse au profit de toutes les nations intéressées dans le commerce de ce pays.

Tout en exprimant le regret que ses explications antérieures aient paru insuffisantes au Gouvernement allemand, le Gouvernement russe croit devoir constater à nouveau que c'est de sa propre initiative que le Gouvernement persan, sur le conseil de M. Bizot, s'adressa à la France demandant d'envoyer pour le conseiller financier deux adjoints. C'est justement de l'engagement de ces deux adjoints ainsi que d'un directeur de registration et de quatre assistants qu'il est question en ce moment. Le choix d'employés français pour ces postes n'avait été arrêté que dans le but de faciliter leur travail en commun avec M. Bizot et d'écartier la possibilité à l'avenir de différends entre ce dernier et ses futurs collaborateurs.

Le Gouvernement russe croit également devoir attirer l'attention du Gouvernement allemand sur le fait que la Perse a actuellement à son service nombre d'employés européens n'appartenant pas à la nationalité française, tels que les fonctionnaires belges, par exemple, chargés de l'administration des douanes.

Du reste, le choix définitif des adjoints du conseiller financier appartient au Gouvernement persan, qui ne s'est pas encore prononcé sur ce point; il va de soi que s'il exprimait le désir de choisir ses fonctionnaires ailleurs qu'en France le Gouvernement russe n'y verrait pas d'objection. Le cas échéant, il serait nécessaire, afin de prévenir des complications ultérieures, que ces fonctionnaires, s'ils ne sont ni Russes ni Anglais, fussent choisis parmi les sujets de Puissances secondaires.

En ce qui concerne le Chemin de Fer de Bagdad, si le Gouvernement russe n'a pas donné jusqu'ici suite aux pourparlers engagés en 1907, c'est que dans l'entre-temps il a été question de négociations à quatre, à ce sujet et que le Cabinet de Saint-Pétersbourg, ignorant d'ailleurs que le Gouvernement allemand était absolument contraire à de pareilles négociations, attendait la décision des autres Puissances intéressées sur ce point. Tout en étant, en effet, partisan de négociations à quatre, sur l'ensemble de la question, le Gouvernement russe est en même temps tout prêt à reprendre les pourparlers susmentionnés sur la base spéciale qui a été fixée en 1907 d'un commun accord.

[9820]

No. 411.

Board of Trade to Foreign Office.—(Received March 21.)

Sir,

Board of Trade, March 19, 1910.

WITH reference to previous correspondence on the subject of the provision of road guards in Southern Persia, I am directed by the Board of Trade to forward you herewith, for the information of the Secretary of State, copy of a letter which they have received from Messrs. H. C. Dixon and Co.

I am, &c.

GEO. J. STANLEY.

Enclosure in No. 411.

Messrs. Dixon and Co. to Board of Trade.

Sir,

*Whitworth House, Princess Street, Manchester,
March 9, 1910.*

WE greatly regret to have to add to what we have previously written on the subject of the state of the caravan routes in Persia a most unfavourable report just to hand from our firm in Bushire—Persian Gulf as follows:—

"We ask you to make a joint representation on your side in the right direction as you did before in respect to the bad condition of the roads. The hire (mule hire for piece goods) is rising fast, and the transport is scarce. To-day's rates are 300 krans up to 310 krans per 750 lb. The Shiraz-Ispahan road is infested with robbers, and we think it is time that something is done to end this state of affairs. The Khans of Borasjoon and Daleky have paid a present of 50,000 krans jointly to Soulet-ed-Dowleh, who in turn has instructed all muleteers to travel from Bushire as far as Daleky, and

from thence change the route to Shiraz, via Jereh. It comes to this, that in the near future the muleteers have to travel zigzag to assist the khans financially at the cost of the merchants. Things are going from bad to worse, and a strong action from your side is necessary—nay, imperative."

Our Bushire firm further point out that the present tariff is operating very unfairly, and we would specially draw your attention to the customs duties on tea. In the old days, British importers did a good business in Java and Indian teas; but to-day this is all changed, and the tea business has fallen almost entirely into the hands of natives, who smuggle it into the country. On a case of Java tea on the old tariff the duty used to be about 10 krans per case, whereas now it is about 80 krans a case. Needless to say, the firms who now pay the 80 krans a case cannot compete with the smuggled tea. We believe that this is well known to the British resident in Bushire. It would be to the advantage of the Persian authorities to lower the duty on tea. They would gain in revenue with the duties on tea, as it would not then be worth while to smuggle on such an extensive scale.

We should be greatly favoured if you would pass on our report to the proper quarters and let us know what progress is being made towards the patrol of the Persian caravan routes.

With our best thanks for your kind attention to this matter, we have, &c.
H. C. DIXON AND CO.

[9804] No. 411*.

Sir G. Barclay to Sir Edward Grey.—(Received March 21.)

(No. 124.)

(Telegraphic.) P.

Tehran, March 21, 1910.

A NEW Minister for Foreign Affairs has been appointed, by name Moavin-ed-Dowleh. He is not known to be pro-German. Personally I do not know him, but I believe he is looked upon by the Russian Government in no unfavourable light.

[9805] No. 411†.

Sir G. Barclay to Sir Edward Grey.—(Received March 21.)

(No. 125.)

(Telegraphic.) P.

Tehran, March 21, 1910.

I HAVE received a telegram from Mr. Grahame as follows:—

"The Governor-General of Ispahan is dispatching a large force, together with some guns, to take action against a certain Karib Khan; the latter having raised a revolt in Kumishah has now some 1,500 followers."

[9863] No. 412.

Sir A. Nicolson to Sir Edward Grey.—(Received March 21.)

(No. 105.)

(Telegraphic.) P.

St Petersburg, March 21, 1910.

ATTITUDE of Germany towards Persian question.

At my interview to day with M. Isvolsky, his Excellency read to me the draft of the reply which he proposes to send to the German communication, and asked my opinion on it. I replied that the answer seemed a sensible one. On his expressing a hope that Russia would be supported by His Majesty's Government, I replied that he need have no uneasiness as to that, that though Germany had spoken to us in a different tone, yet our interests were identical. I told him that on a previous occasion, in the early days of Algeciras, Germany had adopted the same line when she endeavoured to detach Great Britain from France. Her present tactics of a harsh attitude in St. Petersburg and friendly words in London were a repetition of the process then followed.

Would you approve my telling M. Isvolsky that you would not object to his mentioning verbally to the German Ambassador that in dealing with Persia, and with all matters touching the Anglo-Russian Convention, he must necessarily act in consultation with you?

[9876]

No. 413.

Sir Edward Grey to Sir A. Nicolson.

(No. 140.)

(Telegraphic.) P.

Foreign Office, March 21, 1910.

COUNT METTERNICH called to-day, and stated in conversation that German Government considered that the conditions which Great Britain and Russia were exacting for the loan to Persia had the effect of excluding all foreign trade and reducing Persian independence to a mere cypher. His version of the conditions was an incorrect one.

I have not yet replied to his Excellency, but shall inform him to-morrow of the actual conditions of the loan. I shall point out to him that the condition concerning railways must be maintained in order to avoid the possibility of Persia admitting, without our knowledge, foreign control of a railway which might endanger our frontier or prejudice our political interests, but that it is not thereby intended to exclude the investment of foreign capital in Persian railways.

Count Metternich's version of the conditions contains two erroneous statements. The first is that we are insisting that Persians shall only get any kind of concession when they can definitely prove that they are not being backed by foreign capital. The second statement is equally inaccurate, and if it had been true the objections stated by Count Metternich would have been quite justifiable. I therefore think it advisable to inform him of the actual conditions.

[9877]

No. 414.

Sir Edward Grey to Sir A. Nicolson.

(No. 141.)

(Telegraphic.) P.

Foreign Office, March 21, 1910.

FRENCH assistants in Persian Finance Department.

I have given to German Ambassador explanation proposed by M. Isvolsky concerning origin of scheme of employing Frenchmen as additional assistants. I also remarked that when Belgians were engaged in Persian Customs Department Germany had offered no objection.

Count Metternich remarked that it was one thing to entrust Persian Customs to subjects of a small neutral Power, and another to give a Great Power entire control of Persian finance. I said that I saw his point of view, and thought there was something to be said for it.

[9863]

No. 415.

Sir Edward Grey to Sir A. Nicolson.

(No. 142.)

(Telegraphic.) P.

Foreign Office, March 21, 1910.

GERMANY and Persian loan conditions.

Language reported in last paragraph of your telegram No. 105 of to-day has my approval. I have no objection to suggestion that German Ambassador should be verbally informed. You may assure Minister for Foreign Affairs of fullest support of His Majesty's Government.

[9876]

No. 416.

*Sir Edward Grey to Sir E. Goschen.**

(No. 64.)

Sir,

Foreign Office, March 21, 1910.

THE German Ambassador told me to-day that it was alleged, according to what his Government heard, that four conditions had been stipulated for in connection with the proposed loan to Persia: one prohibiting the building of a railway in Persia without Anglo-Russian consent; a second granting a monopoly of navigation upon

* Also to Sir A. Nicolson.

Lake Urumia to Russia; a third claiming that concessions in Persia should be granted only to Russian subjects in the Russian sphere, and only to British subjects in the British sphere; and a fourth laying down that Persians were to receive concessions only if they could prove that they had no foreign capital behind them. The German Government felt that conditions such as these were contrary to the wording of the Anglo-Russian agreement, as well as to the assurances given to other Powers as to the freedom of trade. Conditions of this sort would render Persian independence illusory and shut the door upon foreign commerce.

I replied that, speaking from memory, I was sure that the conditions he had mentioned were not accurate. I would, however, refer again to the actual conditions which we were proposing, and see the Ambassador about them on a future day.

I am, &c.
E. GREY.

[9877] No. 417.

Sir Edward Grey to Sir E. Goschen.
(No. 65.)

Foreign Office, March 21, 1910.

I TOLD the German Ambassador to-day that I had now investigated the position with regard to British claims in Persia. I found that there were arrears in the interest on the Anglo-Indian Government loans of 1903 and 1904. The Persian Government owed large sums to the Imperial Bank of Persia; and there were claims of British subjects amounting nominally to over 600,000*l.** The Anglo-Indian loans, and probably the Imperial Bank loans, were founded upon definite securities, but we made no payments to Persia out of which we could recover these loans or the interest upon them; neither did we make any payments out of which we could satisfy the claims of British subjects. As to the latter claims, we were in no better position than anyone else. In fact, considering the amount of these claims, we might well be said to be in a worse position than others. Yet we were not asking that any of these claims or arrears of interest should be satisfied out of the advance to the Persian Government now under discussion.

The Ambassador said that he understood that, when a larger loan was made, claims might be taken into consideration.

I replied that, when the time came for a larger loan, the question of whether any claims should or should not be satisfied out of it would have to be considered.

I then told the Ambassador that we quite recognised the general principle of commercial equality for third Powers in Persia. With regard to the employment of Frenchmen in the Persian Financial Department, however, I explained to him that some time ago M. Bizot had entered the service of the Persian Government, and afterwards the latter, on their own initiative, had arranged that M. Bizot should be assisted by two additional French "adjoints." Later on the Persian Government had suggested that some more Frenchmen should be introduced in order to ensure the smooth working of the Financial Department. Russia and we, owing to the facts that Persia was a limrophe country, and that we had large financial stakes in it, were especially interested in seeing Persian finances put into good order, for this was the basis of all security and good government. I did not know why the Germans should object to the employment of Frenchmen in one department, seeing that in the past they had not objected to the employment of Belgians in the Customs Department.

Count Metternich asked whether only Belgians had been employed in the Customs.

I answered that my impression was that after M. Naus, a Belgian, was made Controller of the Persian Customs, only Belgians had received the subsequent appointments in the Customs.

Count Metternich observed that putting of the Customs under the control of a small Power was not quite the same thing as the putting of the whole Financial Department under the control of a Great Power.

I said I thought there was something in this point.

I am, &c.
E. GREY.

* Note The amount should be £ 60,000.

[8648]

No. 418.

Foreign Office to India Office.

Sir,

Foreign Office, March 21, 1910.

WITH reference to previous correspondence relative to the retention of four sowars from the guard lately in the employment of the Anglo-Persian Oil Company to serve as escort for Lieutenant Wilson while engaged in survey work in connection with the proposed irrigation of the Kerkha River, I am directed by Secretary Sir Edward Grey to transmit to you herewith copy of a telegram from His Majesty's Minister at Tehran, requesting authority to sanction the further retention of these men for use in that officer's proposed investigations on the Shaur River.*

In this connection I am to state that on the 5th ultimo Sir E. Grey received a despatch from the British acting consul-general at Bushire, forwarding copy of a letter addressed by him to the Government of India, recommending to their favourable consideration Mr. Wilson's suggestion that he should undertake this investigation, and should retain the four sowars to aid him in the work.

Sir E. Grey had intended to abstain from addressing Viscount Morley on the subject, since, if the Government of India approve the proposal, your department will doubtless take the initiative in the matter by approaching this office with the request that half the cost involved in carrying it out should be borne by Imperial funds, but in view of Sir G. Barclay's enquiry it seems preferable to raise the question without further delay.

I am accordingly to enquire whether Lord Morley approves of the scheme, and to state that, if so, Sir E. Grey is willing to approach the Lords Commissioners of His Majesty's Treasury, with the request that half the expense entailed by it should be defrayed from Imperial sources.

I am, &c.
LOUIS MALLET.

[9891]

No. 419.

Sir A. Nicolson to Sir Edward Grey.—(Received March 22.)

(No. 142.)

Sir,
St. Petersburg, March 18, 1910.
WITH reference to your despatch No. 54 of the 22nd February last, I have the honour to inform you that I have received from Messrs. Nearco Castelli, of Tabreez, a list of the carpets stolen by Rahim Khan and supposed to be in his possession. The letter enclosing the list gives some explanation of the contents of the latter, but contains no request for any action on my part.

In view of the statement contained in the letter from M. Isvolsky, copy of which was forwarded to you in my despatch No. 90 of the 16th February—that the only course open to Messrs. Castelli was to have recourse to the ordinary process of Russian law—it seems probable that the firm in question may already have instituted legal proceedings against Rahim Khan.

In these circumstances I propose to take no further action in the matter here unless I receive instructions from you to do so.

I have, &c.
A. NICOLSON.

[9986]

No. 420.

Sir A. Nicolson to Sir Edward Grey.—Received March 22.)

(No. 107.)

(Telegraphic.) P.
St. Petersburg, March 22, 1910.
ATTITUDE of Germany towards the Persian question.

I saw the Assistant Minister for Foreign Affairs this afternoon, and he told me that

* No. 339.

M. Isvolsky had been assured by the German Ambassador that there was no intention on the part of Germany to apply for railway concessions in Persia. Count Pourtalès had, moreover, repeated the assurance that Germany recognised the special position held by Russia and England in that country.

[9984] No. 421.

Sir Edward Grey to Sir G. Barclay.

(No. 66.)
(Telegraphic.) P.

CONVERSION of loan.

You should enquire of manager of Imperial Bank what are the views of the alternative offers for the conversion of the loan which Persian Government has put forward. The second of the two alternatives is considered by the bank as the most favourable. Telegraph your opinion as to the terms.

[10070] No. 422.

Sir Edward Grey to Sir A. Nicolson.

(No. 143.)
(Telegraphic.) P.

GERMANY and Persia.

I communicated to Count Metternich to-day verbally an abridged summary of conditions attached to joint advance, but did not give him the text.

As regards the condition which he supposed we had made with regard to concessions, i.e., that they should be confined to Russians and English in their respective spheres, I explained that he was under a delusion. The option for which we had stipulated in the case of railways was intended to safeguard our frontiers strategically, and our general political interests. We could not allow a sudden handing over of a Persian railway to foreign control, but we did not desire necessarily to obtain all, or, indeed, any of these concessions ourselves. We had not, as the Germans had supposed, penalised Persian enterprise by the exception we had made in the case of railways constructed and financed by Persians—on the contrary, we had thereby limited our own option.

I alluded to condition No. 5, saying I saw no objection to the concession, though I was not in a position to tell him terms exactly.

The remaining conditions included, I said, provisions for the policing of trade routes, the appropriation of the money to sound ends, and the reform of the Ministry of Finance. I remarked that I told him of these to prevent further misunderstandings.

Reverting to the point raised by the German Ambassador yesterday, I remarked that the Persian Government was the party who should decide on the relative merits of Belgians and Frenchmen as financial experts; if they objected to Frenchmen, perhaps a small neutral Power might be approached.

The Ambassador, after making a few criticisms, merely thanked me for the information, and said he would transmit it to Berlin. His criticisms dealt with railways and navigation, but were only made in passing.

[10071] No. 423.

Sir Edward Grey to Sir A. Nicolson.

(No. 144.)
(Telegraphic.) P.

PERSIAN loan conditions and Germany (see my telegram No. 140 of the 21st March).

I have to-day received exactly similar version of loan conditions from Austrian Ambassador containing same inaccuracies, and have made the same reply as in above telegram. Count Mensdorff did not, however, allude to the nationality of the financial assistants, and I therefore did not mention this point.

[10070]

No. 424.

Sir Edward Grey to Sir E. Goschen.

(No. 67.)
Sir,

Foreign Office, March 22, 1910.

I TOLD Count Metternich to-day that the alleged condition with regard to the Persian loan, about which he had spoken to me yesterday, to the effect that in Persia concessions should be granted only to Russians in the Russian sphere and only to British subjects in the British sphere, did not exist at all.

As to the fourth alleged condition, of which he had told me yesterday, to the effect that concessions were to be granted to Persians only if they could prove that they had no foreign capital behind them, it was a garbled version of the condition that Great Britain and Russia were to have the first option of constructing railways in Persia, it being stipulated that this did not apply to the case of Persian railways to be built and worked by Persian subjects with Persian capital. This stipulation had been made in order to safeguard the sovereign rights of Persia, and, so far from being a limitation upon Persian rights as the German Government had supposed, it was a limitation upon our option with regard to railways.

Count Metternich remarked upon our option upon railway concessions, saying that it seemed to exclude all foreign enterprise.

I replied that this was not the intention of the condition. As a matter of fact, we had no great desire to make railways ourselves in Persia at the moment, but we wished to guard against the possibility of waking up some morning to find that the Persians had placed some railway concessions under foreign control for making railways where they would be damaging to our political interests, or strategically menacing to our frontiers. We desired, therefore, to have the option of making railways of this sort ourselves, and so rendering them unobjectionable, if the Persians decided to have them made by foreigners.

I told Count Metternich that there was, as he had heard, a concession for the navigation of Lake Urumia. I had not the exact terms of it in mind, but I could not see that there was any objection to a concession for the navigation of a Persian lake.

Count Metternich said the question was whether the concession would grant a monopoly or not.

I then told him that, in order to avoid further misapprehension, I would tell him the other conditions which we were putting forward with regard to the proposed loan. To prevent the wasting of the loan a programme of expenditure was to be approved by the Russian and British Legations, and the expenditure was to be controlled by a commission under the Persian Minister of Finance. All the money was to be expended for public purposes, not for our commercial interests, except in so far as the restoration of order in Persia benefited all commerce. Besides this condition, there were two others. One was the reorganisation of the Ministry of Finance under French experts, as Count Metternich had already heard. Referring to what he had said on this point yesterday, I observed that it was primarily for the Persians to raise objection to the nationality of the proposed experts. If the Persians did raise an objection, then, perhaps, the best solution would be the employment of experts who were the subjects of some small neutral Power. The remaining condition was that a force should be formed for the protection of trade routes. Our trade had suffered greatly owing to the interference with traffic on the southern roads. In some cases the roads had been absolutely blocked by robbers. It was therefore essential that the Persian Government should provide a force to protect trade routes.

Count Metternich thanked me, and he said would communicate to his Government what I had told him

I am, &c.
E. GREY.

[10071]

No. 425.

Sir Edward Grey to Sir F. Cartwright.(No. 31.)
Sir,

THE Austrian Ambassador made to me to-day a communication about the alleged conditions of the proposed loan to Persia in precisely the same terms as the communication which the German Ambassador made to me yesterday.

I gave Count Mensdorff the same answer as I had already given to Count Metternich to-day, without, however, referring at all to the nationality of the financial experts, as Count Mensdorff said nothing himself on this point, and took the opportunity of observing that it was curious that the Austrian Government should have received exactly the same information as that received by the German Government.

Count Mensdorff replied that no doubt the information had been obtained from the same source.

I am, &c.
E. GREY.

[9984]

No. 426.

Foreign Office to India Office.

Sir,

Foreign Office, March 22, 1910.
I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a telegram from the manager-in-chief of the Imperial Bank of Persia at Tehran to the bank in London, giving the terms of alternative offers made to the bank by the Persian Government for a conversion loan.

Sir Thomas Jackson, who left this paper at this Office, stated that the bank preferred the second alternative.

I am to state that Sir E. Grey would be glad to learn, at Viscount Morley's early convenience, whether he would see any objection to the bank acceding to either of these offers on the understanding that the service of the Anglo-Indian advances of 1903 and 1904 were made a first charge on the customs revenues of the ports of the Persian Gulf, to be pledged as security in the proposed transaction.

I am to add that Sir E. Grey has addressed a telegram to His Majesty's Minister at Tehran, asking for an expression of his views on these proposals.

I am, &c.
LOUIS MALLET.

Enclosure in No. 426.

Imperial Bank of Persia, Tehran, to Imperial Bank of Persia, London.

(Telegraphic.)

Tehran, March 21, 1910.

PERSIAN Government propose amalgamation debts to the bank convert into loan in sterling 5 per cent. interest or currency 6 per cent. interest to be repaid. Capital and interest, equal instalments, extending over thirty years, to be secured by hypothecation. Two Persian Gulf ports we can choose, receipts of which, on the basis of average receipts last five years, amount 4,000,000 krans per annum. In the event of receipts from above ports falling below this amount, Persian Government agrees to include additional ports. Alternative proposal loan in sterling 6 per cent. interest currency 7 per cent. interest to be repaid capital and interest equal instalments, extending over 30 years, but Persian Government to have the option of pay off loan end any three years, leaving present security, whereby all Persian Gulf ports remain under hypothecation to us not changed, and undertaking customs receipts, all Persian Gulf ports to be paid exclusively to us. If these terms accepted, Persian Government express their intention repay all Russian loans, with the exception of those for which terms arranged already to be completed in a year by internal loan, to be issued locally, sale jewels and any other realisable object; but with regard to Imperial Bank of Persia, Persian

Government wish to arrange gradual repayment, and keep all accounts exclusively with us, as State bank, with the exception of those already pledged Banque d'Escompte de Perse, and in view of lock-up capital proposal necessitates Persian Government will accede to notes in circulation may be increased by 400,000*l.* in excess of concession limit secured by this advance.

[10043]

No. 427.

India Office to Foreign Office.—(Received March 23.)

Sir,

India Office, March 22, 1910.
IN reply to your letter dated the 17th March, 1910, regarding the presentation to the Persian Government of the accounts of expenditure incurred in connection with the Central Persia telegraph line, I am directed by the Secretary of State for India to enclose copy of a note by the director-in-chief on the telegram from His Majesty's Minister at Tehran accompanying your letter.

Viscount Morley agrees with Mr. Kirk in deprecating the proposal to forgo altogether the presentation to the Persian Government of the account of establishment charges under article 2 of the convention. It is true that, as pointed out by Sir G. Barclay, delay in presenting that account may weaken the case for repayment of the charges, but he thinks it preferable to accept this risk (if necessary) rather than to abandon altogether what has been decided to be an equitable claim for the repayment to the Indo-European Telegraph Department of the considerable sum of 6,438*l.*

Lord Morely would suggest that, if Secretary Sir E. Grey be willing to reconsider the opinion expressed in the last paragraph of your letter, Sir G. Barclay should be instructed in this sense.

I am, &c.
R. RITCHIE.

Enclosure in No. 427.

Note by the Director-in-Chief, Indo-European Telegraph Department, dated March 15, 1910.

THE total account against the Persian Government for the Central Persia line is divided into three parts, namely (a) the bill for the capital cost of the Central Persia line, on which the rental to be paid is calculated; (b) the bill for advances on account of establishment charges under article 2 of the convention for the line; and (c) the bill for buildings on the line, an account which has not yet been prepared.

Sir G. Barclay's proposal is, if the presentation of the account can be put off until the fate of the Arabistan convention is decided in the Medjlis, to present the bills (a) and (b) together, but if immediate presentation of the account is required, to present bill (a) only, and to drop the claim in bill (b) altogether. At the end of his telegram he adds that he could of course present bill (b) later, but it would weaken our case for repayment of the charges. Perhaps it would be advisable to agree to Sir G. Barclay's proposals, provided it was understood if bills (a) and (b) are not presented together that bill (b) should be presented later.

H. A. KIRK.

[10126]

No. 427^o.*Sir G. Barclay to Sir Edward Grey.—(Received March 23.)*

(No. 126.)

(Telegraphic.) P.

Tehran, March 23, 1910.
QUESTION of International Syndicate, mentioned in my telegram No. 114 of 16th instant.

Persian Government have acknowledged warning of His Majesty's Government, and state that such of the country's revenues as are uncharged are available for transactions of any description, and the right to dispose of them is in no way limited by the negotiations at present proceeding respecting the joint advance.

Reply of Persian Government adds that they will always respect entirely any

arrangements made between His Majesty's Government and the Persian Government as regards any sources of the country's revenues.

My Russian colleague has received a similar communication that has one addition however, viz., that with regard to the passage respecting the loan veto, the Persian Government will observe all obligations in the loan contracts with the Russian Government.

These notes are unsatisfactory, and we might point out in our replies how greatly the Persian Government have failed to observe their financial engagements to the British and Russian Governments. We might further warn them that should they persist in pledging to some third party the country's resources, there will be a possible danger of their receiving a demand for the immediate repayment of all arrears of interest and also of the floating debt.

M. Poklewski is pointing out in a telegram to the Russian Government that the Persian Government imply in the paragraph respecting the loan veto that they place a narrow interpretation on the clauses dealing with the veto. He suggests, therefore, the desirability of clearly showing the Persian Government that the present case is safeguarded by the clauses in question.

[10134] No. 428.

Sir A. Nicolson to Sir Edward Grey.—(Received March 23.)

(No. 108.)

(Telegraphic.) P.

GERMANY and Persia.

Secret information has reached M. Isvolsky from Tehran, though his Excellency will not guarantee the authenticity of it, to the effect that the German Minister there has been asked by some members of the Medjlis whether Germany would not lend her mediation with regard to the questions of the presence of Russian troops and of the conditions attached to the advance. This request is said to be based on article 18 of the Perso-German Treaty of 1873. M. Poklewsky has been instructed to endeavour to ascertain whether there is any truth in this information, and, if so, to let it be known that the only result of the intervention of a third Power in the question of the presence of the Russian troops would be to delay the withdrawal of the latter.

[10043] No. 429.

Sir Edward Grey to Sir G. Barclay.

(No. 69.)

(Telegraphic.) P.

CENTRAL Persia telegraph line.

India Office consider that course mentioned in your telegram No. 100 of the 11th March is, in spite of the risk involved, the best to adopt, since they do not think fit to waive altogether their claim for establishment charges.

You should therefore withhold the bill for establishment charges until a later date, while presenting to the Minister of Telegraphs, in the event of his renewing his request for bill, that for capital cost only.

[10127] No. 430.

Sir Edward Grey to Sir G. Barclay.

(No. 70.)

(Telegraphic.) P.

SHEIKH of Mohammerah.

Language used in reply to Sheikh has my approval.
See your telegram No. 127 of to-day.

[10127]

No. 427*.

†

Sir G. Barclay to Sir Edward Grey.—(Received March 23.)

(No. 127.)

(Telegraphic.) P.

Tehran, March 23, 1910.

IN continuation of my telegram No. 108 of the 14th March, I have the honour to transmit herewith following telegram from His Majesty's acting consul-general at Bushire:—

"With reference to my telegrams Nos. 48 and 49 of the 23rd February, and especially paragraphs 8 and 9 of statement therein, I am informed that the Sheikh of Mohammerah is very anxious to know whether we will give him guarantees against internal aggression.

"Failing these guarantees, sheikh declares that he must be guided by his own interests, which I take to mean arrangements with all the chieftains and khans of South and South-West Persia who are opposed to Bakhtiari ascendancy."

In reply, I have instructed His Majesty's consul at Mohammerah to inform the sheikh that the situation is being closely watched by His Majesty's Legation, and that I think he exaggerates the dangers with which he believes himself threatened through the Bakhtiari ascendancy. His best policy is to continue his allegiance to Persian Government, and, should he still find reason to complain of encroachments, to submit his grievances to Government in Tehran. He could count on my support in the event of satisfaction being then refused him.

[10233] No. 432^o.

Sir G. Barclay to Sir Edward Grey.—(Received March 24.)

(No. 128.)

(Telegraphic.) P.

PLEASE refer to your telegram No. 66 of the 22nd March.

Bank would certainly benefit more under the second arrangement, and as a reduction from 12 per cent. to 6 per cent. or 7 per cent. is effected in the bank's charges on the southern ports we need not, for the sake of our Government loan, raise any objection to the whole debt to the Imperial Bank of Persia being secured by revenues of all southern ports. There still would be an ample margin remaining, and it would be very advantageous to have the receipts all paid into the bank.

Persian Government is not likely to be in a position to exercise the option, which they hold, of discharging the debt after three years' notice, so that the clause referring to that option need not be counted an objection. Had the Persian Government the funds the greater part of bank's present advances might, moreover, be repaid at any time.

[10236] No. 432†.

Sir G. Barclay to Sir Edward Grey.—(Received March 24.)

(No. 129. Very Confidential.)

(Telegraphic.) P.

PLEASE refer to my telegram No. 128 of to-day's date.

I have no doubt that the proposals are the outcome of a note which, following example and with knowledge of my Russian colleague, I addressed to Persian Government, and in which I asked that all the different categories of the Government's debt to the Imperial Bank of Persia might be unified and the interest regularly paid. M. Poklewsky had just presented a similar communication although in somewhat more pressing terms, as the interest due to Russian bank was in arrear.

It would be hard, therefore, to conceal these proposals from the Russian Minister; I am, moreover, doubtful how he would view them, for we may assume that proposals similar to those made to Imperial Bank of Persia have not been made to Russian bank. On this point please see final paragraph of bank manager's telegram to his London office, which, although strictly private, has, I presume, been communicated to you.

With regard to prospects of Persian Government being in a position to wipe out its floating debt to Russian bank, I would mention that the valuation of the Crown jewels by the French expert exceeds what I expected. He has not yet completed his examination, yet the figure quoted has already reached 12,000,000 fr., but I am sceptical about the power of the Persian Government to raise much money within the country.

[10126]

No. 431.

Sir Edward Grey to Sir A. Nicolson.

(No. 145.)

(Telegraphic.) P.

INTERNATIONAL Syndicate.

Foreign Office, March 23, 1910.

Subject to approval of M. Isvolsky, I propose to authorise reply suggested by Sir G. Barclay in his telegram No. 126 of to-day.

[10197]

No. 432.

Imperial Bank of Persia to Foreign Office.—(Received March 24.)

Sir,

WITH reference to my letter of the 8th March regarding interest on the Persian Government debt to the bank, I mentioned that the amount of interest received up to the 24th February, 1910, was 190,000 tomans. We have to-day received a telegram stating that the amount of interest received between the 20th September, 1909, and the 20th March, 1910, amounts to 267,000 tomans.

I am, &c.

G. NEWELL, Manager.

[10254]

No. 433.

Sir Edward Grey to Sir A. Nicolson.

(No. 146.)

(Telegraphic.) P.

Foreign Office, March 24, 1910.

ADVANCE to Persian Government.

Under instructions from his Government, the Italian chargé d'affaires called to enquire whether the conditions of the joint advance contained provisions by which British and Russian subjects were to have a monopoly of concessions in their respective spheres. He had, it seems, received the same garbled account of the conditions as that mentioned in my telegram No. 144 of the 22nd March.

I explained the wording and intention of condition No. 4 to him.

The Turkish Ambassador at Tehran is, he says, responsible for the reports received by his Government.

[9921]

No. 434.

Sir Edward Grey to Sir A. Nicolson.

(No. 94.)

Sir,

Foreign Office, March 24, 1910.

WITH reference to my despatch No. 90 of the 18th instant, relative to the communication recently made by the German to the Russian Government on the subject of the conditions presented to the Persian Government in connection with the proposed Anglo-Russian advance, I transmit to your Excellency herewith copy of a paper handed to me on the 21st instant* containing the text of the reply which the Russian Minister for Foreign Affairs proposes to return to the German Ambassador at St. Petersburg with regard to this question.

I am, &c.

E. GREY.

* No. 410.

[1704]

3 X

[10265]

No. 434*.

Sir Edward Grey to Sir G. Barclay.(No. 73.)
(Telegraphic.) P.

EXCAVATION rights in Persia.

I have been approached by an Englishman who is anxious to make excavations at Sultanabad. Are these rights still a French monopoly?

Foreign Office, March 25, 1910.

[10399]

No. 435.

Sir A. Nicolson to Sir Edward Grey.—(Received March 26.)(No. 110.)
(Telegraphic.) P.

St. Petersburg, March 26, 1910.

CONDITIONS as to railway concessions attached to the Persian advance.

Enquiries similar to those made in London have been made by the Austrian Ambassador here. Count Berchtold, however, did not address his enquiries to M. Isvolsky, but to the Assistant Minister for Foreign Affairs. Instructions to act in the same sense were also sent to the Italian Ambassador, but M. Melegari suggested to his Government that compliance with these instructions would convey the impression of a combined demonstration, and that this might be resented here. M. Melegari was right in this conjecture, for M. Isvolsky told me this afternoon that if the Italian Ambassador followed the line of his German and Austrian colleagues he would speak to him frankly.

This evening the Italian Ambassador came to see me and addressed the enquiries to me. I gave him the substance of your verbal communication to Count Metternich, as recorded in your telegram No. 143 of the 22nd March to me.

In the course of our conversation M. Melegari mentioned casually that the Turkish Ambassador at Tehran was said to be suggesting intervention by the Powers to secure the withdrawal of the Russian troops from Persia. I replied that I knew that the Russian Government were particularly sensitive with regard to outside intervention, and said that the only result of third Powers intervening would be to prolong the retention of the Russian troops. M. Melegari said that he had been given to understand that Turkey contemplated taking an active part in Persian affairs.

[10236]

No. 436.

Sir Edward Grey to Sir G. Barclay.(No. 74.)
(Telegraphic.) P.

Foreign Office, March 26, 1910.

CONVERSION of Persian Government's debts to Imperial Bank.

The telegram from the bank manager was shown to me in confidence, and in any case it will not be necessary to acquaint Russian Government with all details contained in it. But of course, if proposed arrangement receives our sanction, we shall be obliged to inform them of the fact.

We cannot hinder an arrangement into which the bank wishes to enter without considerable difficulty and without incurring a certain amount of responsibility.

Reference is to your telegram No. 129 of the 24th March.

[10236]

No. 437.

Foreign Office to India Office.

Foreign Office, March 26, 1910.

Sir,

WITH reference to my letter of the 22nd instant, relative to the proposals made by the Persian Government to the Imperial Bank of Persia in connection with a conversion loan, I am directed by Secretary Sir Edward Grey to transmit to you herewith copies of two further telegrams from His Majesty's Minister at Tehran,^{*} the former of which may assist Viscount Morley in his consideration of the subject.

* Sir G. Barclay, Nos. 128 and 129, Telegraphic, March 24, 1910.

[10359]

No. 434†.

Sir G. Barclay to Sir Edward Grey.—(Received March 26.)

(No. 130.)

(Telegraphic.) P.

Tehran, March 26, 1910.

IN reply to your telegram No. 63 of the 19th March, I have the honour to report that I have sent instructions to His Majesty's acting consul at Shiraz to assist French consular agent, if necessary, in protecting M. Nataf, the director of the Alliance israélite.

M. Nataf, acting consul reports, left His Majesty's consulate for a garden some distance outside the town on the 16th March last.

I am to state that Sir E. Grey would be glad to receive, with as little delay as may be convenient, an expression of his Lordship's views with regard to this question.

I am, &c.
LOUIS MALLET.

[10400]

No. 438.

Sir A. Nicolson to Sir Edward Grey.—(Received March 27.)

(No. 111.)

(Telegraphic.) P.

St. Petersburg, March 27, 1910.

(R.) INTERNATIONAL syndicate and Persia.

Your telegram No. 145 [of 23rd March].

Russian Government think that it would be prudent not to reply in a manner which would give Persian Government an excuse for pretending that we wished to deprive them of possibility of concluding a loan elsewhere than in Russia and England, as they would then have right to demand that we should find them necessary funds, which would impose a very embarrassing obligation on us both. Furthermore, third Powers might consider a prohibition to borrow money outside of us both as a restriction of their legitimate rights. Russian Government think that it would be better to announce to Persian Government that two Powers have no objection to a loan being concluded elsewhere, but on following conditions:—

1. Customs revenue and other sources of revenue affected to service of loans concluded in Russia and in England cannot in any case serve as securities for new loans.

2. All financial obligations contracted by Persia in Russia and England, floating debt included, must be embodied in a regular engagement which would determine a fixed annuity for interest and sinking fund, as well as revenues to serve as security; and Persia should also be warned that Russia and England, while not wishing to hamper liberty of purely commercial enterprise of other foreigners, cannot admit, as some Cabinets have already been informed, that concessions having a political or strategical importance, such as concessions for railways, roads, telegraphs, navigation on Lake Urumia, &c., should be given to foreigners in their respective zones of influence.

M. Isvolsky thinks that we should obtain end we have in view equally well by these means without inconveniences mentioned above. (End of R.)

I expressed to M. Isvolsky my personal opinion that there was no objection to restricting Persia in her applications for a loan to Russia and Great Britain. To this he replied that Persia was an independent country. I observed that Persia was up to her ears in debt to both of us, and so could scarcely be considered independent from a financial point of view. He said that it would be impossible for Persia, under the conditions which he now proposed, to allocate to a third Power any of her revenues as security for a loan.

M. Isvolsky, in asking me to lay the above before you, begged that he might be favoured with your views at the earliest possible date. He told me that he had already discussed the matter with the Minister of Finance.

It would be better, I should think, to omit the reference to "zones of influence."

[10421]

No. 439.

Sir A. Nicolson to Sir Edward Grey.—(Received March 29.)

(No. 143.)

Sir,

St. Petersburg, March 18, 1910.

DURING the past few days I have been in frequent communication with M. Isvolsky on the subject of the presence of Russian troops at Tabreez and at Kazvin, and I have used my best endeavours to induce him to withdraw the force at the latter place. It was clear that in present circumstances it would have been a mere waste of time to have urged a similar measure in regard to Tabreez, and the utmost that could be hoped for was to persuade the Russian Government to refrain from reinforcing the detachment at that town. In regard to the withdrawal of the force from Kazvin, I have

hopes that this may be effected, and before the departure of this messenger I have little doubt that decision will be taken one way or another. With respect to Tabreez the question is far more difficult. I understand from the communications from Sir G. Barclay that the situation in that town presents some disquieting features, and although the information furnished by the British consul-general is not of so alarming a character as that supplied by his Russian colleague, still that the condition of affairs is by no means normal. M. Isvolsky is sincerely and firmly convinced that, so long as Sattar and Baghir Khans remain at Tabreez, and so long as the band of Caucasian revolutionaries is present to create mischief, the comparatively small Russian force and the various Russian establishments are exposed to the risk of attacks upon them. Assurances of a belief to the contrary carry little weight, as M. Isvolsky declines to risk the safety of his detachment and of Russian establishments on the expression of an opinion. On the other hand, he is hard pressed by the Viceroy of the Caucasus to permit the dispatch of reinforcements, and he feels that he is incurring a great responsibility in declining hitherto to give effect to these insistent demands. If perchance a serious incident were to arise, and with Caucasian desperadoes on the spot the possibility of such incidents cannot be excluded, he is well aware that he would be amenable to severe censure. In reply to arguments that the dispatch of reinforcements would create a deplorable impression on the Persian mind, and would still further stimulate the agitation against the presence of the troops, and thereby aggravate the difficulties in the way of procuring the assent of the Government and the Medjiliss to the money advance, M. Isvolsky has recently adopted the view that, as conciliatory measures have failed to modify opposition, a strong and determined attitude might have better results. Moreover, he returned on one or two occasions to the contention that the presence of Russian troops at Tabreez and at Ardebil saved the former town from capture by the force of the ex-Shah, while the latter town was redeemed from the hands of Rahim Khan and his freebooters and restored to the Persian Government. He has further on occasions—but on this I do not wish to lay stress, as they were occasions of passing annoyance—referred in sarcastic tones to the wonderful effects which the grant of a constitution was to produce, and, now that the ex-Shah has been exiled and his reactionary advisers have departed, the present situation is no better, if it be not worse, than that which existed under the old régime.

The intervention of Germany, on which I will write in another despatch, has placed a new complexion on the whole Persian question, but I considered that it afforded an opportunity of making one more appeal to M. Isvolsky on the subject with which this despatch is especially concerned. I beg leave to enclose copy of a letter which I addressed to his Excellency.

I have not wished to trouble you with a detailed account of my conversations with M. Isvolsky, as I have endeavoured to keep you generally informed by telegram. I give here merely a bare summary of what has passed, and of the various emotions which have influenced the mind of his Excellency. It would be unjust not to appreciate the difficulties in which he is placed. It is no easy matter to withdraw troops once they have advanced into a foreign country. Our own experience enables us to make all allowances to others in this respect. The matter is rendered still more difficult when pressure is brought to bear by the natives of that country in forms which are irritating and vexatious to the occupying Power. M. Isvolsky has frequently regretted that the places to which he has felt compelled to send troops were not on the sea-board, whence detachments can be landed and easily re-embarked. Furthermore, there is the Russian press, which for various motives keeps a watchful and critical eye on the acts of M. Isvolsky, and which of late, even in quarters the least expected, has on more than one occasion reproached him for lending too ready an ear to suggestions from England in regard to the measures which should be taken for the defence of Russian interests.

I have, &c.

A. NICOLSON.

Enclosure in No. 439.

Sir A. Nicolson to M. Isvolsky.

(Privée et confidentielle.)

Mon cher Ministre,

ME permettrez-vous de développer en très peu de mots les suggestions de Sir E. Grey que vous trouvez contenues dans le *pro-memoriâ* que j'ai laissé entre vos mains

[10401]

No. 438*.

Sir G. Barclay to Sir Edward Grey.—(Received March 28.)

(No. 131.)

(Telegraphic.) R.

Tehran, March 28, 1910.

YOUR telegram No. 73 [of the 25th March: French monopoly for excavations in Persia].

French monopoly still in force. French Minister, however, who does not favour too rigorous enforcement of monopoly, says that he will do his best to obtain permission necessary for Englishmen. He has telegraphed to his Government, and suggests that we might move at Paris.

[10402]

No. 438†.

Sir G. Barclay to Sir Edward Grey.—(Received March 28.)

(No. 33.)

(Telegraphic.) P.

Tehran, March 28, 1910.

WITH reference to previous correspondence, I have the honour to report that the Indo-European Telegraph Department have been asked by the Minister of Telegraphs to prepare an estimate of cost of a telegraph line from Seistan to Kuhi-Malik-Siah, the construction of which Persian Government contemplate undertaking themselves.

Financial or other assistance might be advantageously offered in return for a stipulation that the control of the extension be vested in the Indo-European Telegraph Department.

hier ? La question persane entrera dans une nouvelle phase même plus compliquée qu'elle ne l'est aujourd'hui si la participation d'une tierce Puissance est admise. Il est, par conséquent, de la première importance d'écartier tout risque d'une telle participation, et le seul et unique moyen pour atteindre ce but serait d'amener sans délai le Gouvernement persan et le Medjliiss à accepter notre avance avec les conditions que nous y avons attachées. Ni le Gouvernement ni surtout le Medjliiss ne paraît à ce moment très bien disposé à aller au-devant de nos propositions, et il est très à désirer d'écartier les hésitations et les soupçons dont ils se sont inspirés. Il y a peu de doute que le rappel des troupes russes de Kazvin produirait une excellente impression sur les esprits, et serait envisagé comme une preuve évidente de la bienveillance de la Russie envers la Perse. Le rappel pourrait être promis à condition que nos conditions soient acceptées, et, à mon avis, il y a là des moyens pour arriver à un arrangement avec le Gouvernement persan.

Quant aux troupes à Tauris, il y a sans doute des considérations qui ne permettent de songer pour le moment à leur rappel, mais j'ose vous prier de ne pas les renforcer. Il me semble qu'une pareille mesure à ce moment pourrait détruire toute espérance de faire accepter nos conditions, et pourrait même pousser les Persans à se tourner vers une tierce Puissance. J'admets volontiers que la situation à Tauris est inquiétante, mais d'après tous mes renseignements il n'existe aucun danger d'une attaque de la part des fédais ni contre vos troupes ni contre vos institutions. En tout cas, à mon humble avis, si la Perse dans ce moment fait appel d'une façon ou d'une autre à l'assistance et à la bienveillance d'un tiers, nous aurions devant nous une situation beaucoup plus difficile et d'un caractère plus permanent que celle qui pourrait exister momentanément à Tauris. Il est inutile que j'insiste sur ce point.

Je vous prie de m'excuser de vous avoir adressé ces quelques lignes, mais nos relations ont toujours été si cordiales et si franches que, je le sais bien, je n'ai pas à redouter aucun malentendu de votre part sur les sentiments qui les dictent.

Votre sincèrement dévoué,
A. NICOLSON.

[10422]

No. 440.

Sir A. Nicolson to Sir Edward Grey.—(Received March 29.)

(No. 144. Confidential.)

Sir,

St. Petersburg, March 21, 1910.

I HAVE the honour to transmit herewith copy of a private letter which I received from M. Isvolsky, communicating to me a copy of the *aide-mémoire* which had been given to him by the German Ambassador relative to Persian affairs and the Bagdad Railway.

I would beg leave to point out that there are certain passages in the memorandum which indicate an intention on the part of the German Government to take an active interest in Persia. The "situation particulière" of Russia and England in Persia, which the Russian Government had assumed had been recognised by the German Government, becomes an almost empty phrase when the memorandum declares that "l'Allemagne a le droit de régler les questions qui l'intéressent, sans prendre en considération les intérêts de tierces Puissances." The memorandum also states that the German Government will not prevent any attempt on the part of German commercial and financial circles to find a field of activity in Persia. This warning would seem to open out the possibility, if considered desirable, of Germany seeking concessions of any nature throughout Persia. To anyone unacquainted with the facts the memorandum would give the impression that Russia alone had offered an advance to the Persian Government, and that she alone was responsible for the conditions which had been required of the Persian Government. There is a peremptory abruptness in the general tone of the memorandum which is characteristic and significant.

The references to the Bagdad Railway are matters which chiefly concern Russia, and which are properly questions to be discussed between her and Germany. M. Isvolsky tells me that the pourparlers between the two Governments were abandoned because he was unable to obtain any assurances from the German Government in regard to their projects for railway construction in Persia. He did not renew them because he had understood that His Majesty's Government would insist on a

[1704]

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negotiation à quatre, and he was therefore patiently awaiting further developments in that direction.

There is a marked contrast between the harsh attitude assumed by the German Government towards St. Petersburg and the gentle enquiries and observations addressed to the London Cabinet. The line followed by Germany in the present instance is curiously similar with that which she adopted immediately before and during the early days of the Algeciras Conference. Presumably the objects are the same in both instances, and consist in an endeavour to thrust a line of cleavage between the co-signatories of a dual convention, which from the first has been regarded with no friendly eyes by Germany. There may, too, be a real desire to find a profitable field for enterprise in Persia, but I imagine that, as in Morocco formerly, so in Persia of to-day, the chief intention is to impress on Russia directly and perhaps on us indirectly that two countries cannot settle affairs of special interest to them alone without securing the acquiescence of the German Government. I venture to think that the memorandum is of greater import and of wider scope than may appear on the surface or on perusal of its terms. M. Isvolsky asked me if His Majesty's Government would support the Russian Government in the matter. I had no hesitation in assuring him that he need not feel the slightest doubt on that score. Our interests are identical; and, though I did not consider it necessary to tell him so, the loyalty which is naturally due to a partner in a diplomatic instrument would render it impossible for us to abandon him when he is criticised for acts in which we took a common part.

I have, &c.
A. NICOLSON.

Enclosure 1 in No. 440.

M. Isvolsky to Sir A. Nicolson.

Mon cher Ambassadeur,

POUR satisfaire au désir que vous avez bien voulu m'exprimer, je m'empresse de vous transmettre ci-près, à titre tout à fait confidentiel, une copie de l'aide-mémoire qui nous avait été communiqué par l'Ambassade d'Allemagne le 27 février au sujet des affaires persanes et du Chemin de Fer de Bagdad.

Votre sincèrement dévoué,
ISVOLSKY.

Enclosure 2 in No. 440.

Aide-Mémoire communicated to M. Isvolsky by German Embassy February 27, 1910.

DANS son aide-mémoire du 18 janvier le Ministère Impérial des Affaires Etrangères a bien voulu constater la satisfaction du Gouvernement Impérial de Russie de ce que le Gouvernement allemand reconnaît la situation particulière de la Russie et de l'Angleterre en Perse.

Cependant la réserve que l'Allemagne a en effet observée en Perse ces derniers temps ne saurait être interprétée comme si le Gouvernement allemand avait cessé à envisager la Perse comme pays indépendant, dans lequel l'Allemagne a le droit de régler les questions qui l'intéressent, sans prendre en considération les intérêts de tierces Puissances. L'Allemagne n'ayant point participé à l'accord anglo-russe du 31 août, 1907, au sujet des affaires persanes, cet accord n'a rien changé aux yeux de l'Allemagne à la situation de ce pays. La Russie et l'Angleterre, d'ailleurs, ont elles-mêmes proclamé l'intégrité et l'indépendance de la Perse et y ont constaté les principes de la liberté du commerce pour toutes les nations.

Le Gouvernement Impérial de Russie, conformément à ce principe, avait proposé au Gouvernement allemand un arrangement relatif aux affaires de Perse et au Chemin de Fer de Bagdad, arrangement au sujet duquel le Gouvernement s'était montré tout disposé à entrer en pourparlers. Cependant depuis la fin de l'année 1907 le Gouvernement de Russie n'a plus fait de communication relative à ces pourparlers. Au contraire, il a agi dans plusieurs cas d'une façon qui paraît ne pas tenir suffisamment compte des desiderata légitimes de l'Allemagne.

Lorsqu'il a été question de l'engagement au service persan d'adjoints du conseiller

financier, le Gouvernement russe a appuyé le choix de deux Français et paraît vouloir user de son influence sur le Gouvernement persan afin de porter le nombre de ces adjoints à cinq ou sept. D'après des nouvelles parvenues au Gouvernement allemand, l'engagement de Français pour les postes en question et leur participation au contrôle des finances persanes serait même une condition *sine qua non* pour l'emprunt à accorder par la Russie à la Perse.

Il est évident que, si cette condition était remplie, l'Allemagne serait exclue d'une des parties importantes de l'administration intérieure de la Perse, tandis que la France y serait admise. Le Gouvernement allemand se trouverait ainsi dans une position très difficile vis-à-vis de l'opinion publique allemande, qui ferait vouloir à juste titre que l'Allemagne a le droit de réclamer les mêmes droits que la France pour ce qui concerne l'administration et le contrôle des finances persanes. Il ne peut y avoir aucun doute que le Gouvernement persan, s'il n'était pas sûr de rencontrer des difficultés de la part de la Russie, serait tout disposé à demander à l'Allemagne des agents financiers.

Quant au Chemin de Fer de Bagdad, le Gouvernement russe paraît continuer à être partisan de négociations à quatre par rapport à ce question, ce que le Gouvernement allemand a dès le principe déclaré ne pas pouvoir admettre.

L'attitude du Gouvernement russe dans ces deux questions ne semble donc guère empreinte de la prévenance à laquelle l'Allemagne croyait pouvoir s'attendre après avoir, de son côté, observé en Perse la réserve la plus loyale. Le Gouvernement allemand tient donc à faire connaître au Gouvernement russe que cette réserve ne saurait aller jusqu'à empêcher toute tentative des milieux commerciaux et financiers allemands de trouver en Perse un terrain d'activité.

C'est pourquoi le Gouvernement allemand ne s'est point opposé lorsque récemment la Deutsche Bank a exprimé l'intention d'envoyer (dans le courant du mois prochain) M. Said Ruete en Perse, dans le but de faire un voyage d'information par Hannekin à Bagdad.

[10461]

No. 441.

Sir F. Bertie to Sir Edward Grey.—(Received March 29.)

(No. 132.)
Sir,

Paris, March 28, 1910.

I HAVE the honour to report that Prince Bahram, the son of the Zil-es-Sultan, called on me this morning.

His Highness stated that the Zil was most anxious to receive from His Majesty's Government and from the Russian Government the same measure of protection as that which had been accorded to him previously to his return to Persia last year, in view of the present state of affairs in Persia. He would undertake, moreover, not to act in opposition to any advice which might be given to him by the two Governments.

Prince Bahram stated that M. Poklewsky had informed him at Resht last September that in the event of his father returning to Europe he would again be under the protection of the two Governments. His Highness added that he had been told at about the same time by M. Sabline, the Russian chargé d'affaires at Tehran, that the Persian Government would listen to any advice which His Majesty's Government might tender on the subject, whereas Sir G. Barclay had told him that this was not the case. The Prince showed me the letter which you had addressed to the Zil on the 7th instant, and copy of which was forwarded to me in your despatch No. 116 of that day, and was anxious to learn whether a further reply might be expected.

I may add that I have received a message from my Russian colleague stating that his Government are not inclined to extend their protection to the Zil, who has addressed a similar request to them. He begged that I should inform him as soon as a definite decision had been arrived at by His Majesty's Government in order that he might return an identic reply to His Royal Highness.

I have, &c.
FRANCIS BERTIE.

[10752]

No. 442.

M. Isvolsky to Count Benckendorff.—(Communicated to Foreign Office March 29, 1910.)

LES consuls russes à Tabriz et Ourmiah informent que le 17 et 18 mars 140 soldats turcs ont traversé Ourmiah et ont occupé le littoral ouest du lac dans le district de Dalsk; en outre l'occupation d'Ourmiah serait imminente et il s'y trouverait déjà, en dehors du convoi conculaire, cinquante cavaliers turcs; il s'agirait également d'un mouvement en avant vers le lac sur la ligne Khoi-Salmast-Ourmiah.

Les représentants russes informent de plus que les Turcs lèvent les impôts dans toute la région d'Ourmiah (ainsi à Sudjboulak ils perçoivent 13,000 toumanes sur un total de 20,000) et qu'à Djbelkend et Barandouz une douane a été installée où sur toutes les marchandises une taxe de 11 pour cent est perçue.

Les communications entre Tabriz et Ourmiah sont rendues difficiles et dangereuses par des actes de brigandage commis par des Kourdes sur l'instigation des Turcs. D'après les dernières nouvelles les Turcs ont augmenté l'effectif de leurs troupes dans ces parages de 500 cavaliers et de 400 hommes d'infanterie.

[10568]

No. 443.

India Office to Foreign Office.—(Received March 29.)

Sir,

India Office, March 26, 1910.

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter, dated the 4th March, 1910, regarding the Anglo-Persian convention, now awaiting ratification by the Medjliss, which has been arranged with the twofold object of securing the control of the Arabistan lines by the Indo-European Telegraph Department and the renewal of the telegraph conventions of 1868, 1872, and 1901.

Copy of a memorandum by the director-in-chief of the Indo-European Telegraph Department upon the subject is enclosed.

Viscount Morley concurs in the view of Mr. Kirk that if the Medjliss is unwilling to accept the convention as it stands, owing mainly to its distrust of the article renewing the telegraph concessions, it would be very desirable to persuade it, if possible, to adopt a different attitude by offering the further inducements referred to in paragraph 3 of the memorandum, viz. (1) the non-exercise of our right to put forward claims for acts of ordinary damage to the department's lines in Persia, and (2) the advance of a sum not exceeding 10,000*l.* against the next ten years' minimum rental of the Central Persia line.

Lord Morley also agrees in the view that, even apart from the provision for the renewal of the telegraph concessions, the convention is of considerable value, and that it would be desirable, in the event of that provision having to be dropped, to bring forward an alternative convention relating to the Arabistan lines alone.

For this purpose Mr. Barker's draft seems generally suitable, but Lord Morley would suggest that, if circumstances should make further concessions necessary, it should be modified so as to provide for the expenditure by the British Government, for the benefit of the Persian Government, of a sum not exceeding 1,000*l.* in the provision of telegraph material on the line, together with an annual sum not exceeding 600*l.* for maintenance. As pointed out by Mr. Kirk, the Lords Commissioners of His Majesty's Treasury have already consented to bear a moiety of this expenditure.

If this modification of the convention in the interests of the Persian Government is decided upon, it appears unnecessary at present to consider the proposal to waive the charge of 4 per cent. interest upon the total amount due by the Persian Government under article 2 on account of the supply of posts, insulators, &c. This proposal could not be accepted without further correspondence with the Lords Commissioners of His Majesty's Treasury, which the urgency of the matter renders undesirable.

If Secretary Sir E. Grey concurs, Lord Morley would suggest that His Majesty's Minister at Tehran should be instructed in the sense of the foregoing remarks, it being left to his discretion to make the best terms possible within the limits indicated.

I am, &c.

E. S. MONTAGU.

Enclosure in No. 443.

Memorandum by the Director-in-chief of the Indo-European Telegraph Department, dated March 1910.

THE terms of the alternative draft convention do not appear to be of a kind likely to prove altogether acceptable to the Medjliss. They are not as favourable to the Persian Government as those it was proposed to offer in 1908. The papers under register No. 2786 show that the survey of the Arabistan telegraph lines and temporary repairs were estimated to cost 300*l.*, the more permanent repairs 1,000*l.*, and the annual maintenance of the line 600*l.* Under register No. 3597 there is the copy of a letter from the Treasury to the Foreign Office, dated the 13th August, 1908, saying that, in view of the assurance now given by the Secretary of State for Foreign Affairs that the control of this line is of the highest political moment, the Treasury will accept the charge to the Imperial exchequer of an initial expenditure not exceeding 650*l.*, and a recurrent expenditure not exceeding 300*l.* a-year, being one-half of the cost involved in taking over and maintaining the line.

2. Mr. Barker, in framing his alternative convention, seems to have made too little of the fact that it is of great political importance that we should obtain control of the Arabistan lines. In writing to me, he stated he had made the terms of the alternative convention stiff, because in the negotiations for the original convention he had adopted the line that the department was not so much interested with Arabistan lines as in the renewal of the telegraph concessions. As, however, we want to obtain the control of the Arabistan lines, it seems desirable that we should offer more liberal terms than are proposed by Mr. Barker. The survey of the Arabistan lines has already been carried out, but if the alternative convention contained clauses to the effect that 1,000*l.* would be spent in provision of materials and placing them on the line, plus 600*l.* per annum on the maintenance of the line, free of cost to the Persian Government, the transfer of the control of the line to the Indo-European Telegraph Department would be more likely to be made acceptable to the Medjliss. The charge for half of this expenditure has, as I have shown, been accepted by the Treasury.

3. Sir G. Barclay contemplates the possibility that the Medjliss will refuse to ratify the convention that is to be presented to it. If this happens he desires to have an alternative convention ready, dealing only with the Arabistan lines, and making no mention of the renewal of the other concessions. But before accepting the refusal of the first convention, it might perhaps be useful to offer further inducements to have it passed. The Persian Minister of Telegraphs has not, as far as my information goes, been told that although we are not prepared to forego the right of claiming compensation in the event of the telegraph lines suffering serious and extensive injury owing to internal disorders, yet on the ratification of the convention we would in future not put forward claims for compensation for acts of ordinary damage. This was explained to the Foreign Office in India Office letter dated the 4th July, 1907 (register No. 3230). Also, though sanction has been given to offer the inducement to the Persian Government of allowing an advance payment up to 10,000*l.* on account of the rental of the Central Persia line (see papers under register No. 4180 of December 1908), the original convention was obtained without bringing forward this offer. Perhaps if the Medjliss rejects the original convention as it stands, these further inducements to pass it might bring about a successful result.

4. Should, however, the Medjliss prove unyielding, the only course appears to be to bring forward the alternative convention as drafted by Mr. Barker, but, I should say, modified to the extent suggested by me in paragraph 2 of this memorandum.

H. A. KIRK.

[10567]

No. 444.

India Office to Foreign Office—(Received March 29.)

Sir,

I AM directed by the Secretary of State for India to acknowledge the receipt of your letter of the 22nd instant on the subject of the proposals made by the Persian Government to the Imperial Bank of Persia for the conversion of their debts to that institution.

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3 Z

The telegram enclosed in your letter is not altogether clear, especially as regards the second alternative. But as far as Viscount Morley is able to judge there seems no reason for objecting on financial grounds to either proposal, provided that the prior lien of the British Government on the customs of the Gulf ports is preserved.

It does not appear whether the scheme for repayment of the Russian loans is part of the second alternative or is common to both. If the former be the case, then the first alternative appears preferable from the political point of view; since, with the Persian Government's debt to Russia would disappear the power which the Russian Government at present possess of vetoing any loan from a third party. But perhaps the chance of the Persian Government's being able to float a *bona fide* internal loan for the purpose of paying their debts to Russia is so remote that this point need not be taken into consideration.

In connection with these proposals, Lord Morley trusts that the desirability of taking steps to ensure more regular payment of the interest and sinking fund of His Majesty's Government's loans will not be overlooked when a suitable occasion arises. It will be remembered that this question was postponed by Sir E. Grey's telegram No. 112, dated the 26th March, 1909, to Sir G. Barclay.

I am, &c.
E. S. MONTAGU.

[10730] No. 445.

The Moslem Brotherhood of Progress to Foreign Office.—(Received March 29.)

Sir,
2, Fenchurch Avenue, London, March 24, 1910.
I HAVE the honour to forward a copy of the resolution which was unanimously carried at a meeting of the Moslem Brotherhood of Progress, held at the Caxton Hall on the 23rd instant, at 8 P.M., which was largely attended, and represented various countries and shades of religious beliefs and political opinions.

I have, &c.
SYED ABDUL MAJID, President.

Enclosure in No. 445.

Resolution adopted by the Moslem Brotherhood of Progress on March 23, 1910.

Resolution I.—That we, the most loyal subjects of His Imperial Majesty, regard with grave apprehension the Russian occupation of Tabreez, Kazvin, and other parts of Persia, and consider it as a wrong to Persia and a menace to India; view the Russian promises of evacuation with sincere mistrust, and beg leave to urge upon His Majesty's Government the necessity of taking immediate steps to ensure a speedy withdrawal of Russian forces from Persia, and of maintaining the integrity of Persia as guaranteed by the Anglo-Russian Convention of 1907.

Proposed by M. Ismail, Esq.
Seconded by S. M. Ezekiel, Esq.

Supported by Dr. Sussheim, M. T. Kaderbhoy, Esq., and Aga Jelal Shah, Esq.
Carried unanimously.

SYED ABDUL MAJID, President.

[10745] No. 446.

Sir G. Barclay to Sir Edward Grey.—(Received March 29.)

(No. 134.) (Telegraphic.) R.
Tehran, March 29, 1910.

IN view of approaching expiration of railway embargo and of Persian Government's delay in replying to our conditions for joint advance, I venture to submit that we should lose no time in addressing to Persian Government a joint note containing declaration of our policy in regard to railways in Persia in sense of condition 4. I

would recommend also a similar declaration of policy in last sentence of condition 3, but this is not so urgent, and before making it we might await Persian Government's answer to our conditions, for which we are now pressing.

My Russian colleague is telegraphing in same sense.
(Repeated to St. Petersburg.)

[10743]

No. 447.

Sir A. Nicolson to Sir Edward Grey.—(Received March 29.)
(No. 112.) (Telegraphic.) P.

St. Petersburg, March 29, 1910.

INTERVENTION of Germany in Persian affairs.

Last night I had an opportunity of exchanging a few words with the German Ambassador on the subject of Persia. Count de Pourtalès said that the special position in Persia of Russia and England was recognised by his Government, and that he thought that Germany had no intention of asking for railway concessions in Persia. At the same time Germany did wish to secure equality of opportunity for enterprises and the open door. Persia was an independent country, and Germany was desirous that it should not be placed in the same position as that in which Morocco had formerly been. I pointed out that the case of Persia was quite distinct from that of Morocco. No Madrid Convention existed in the case of Persia. The two Powers were quite ready to hold to the policy of the open door, but the geographical position of Persia and the serious condition of anarchy prevailing there at present made it absolutely necessary for Great Britain and Russia to take care that Persia did not give concessions which could injuriously affect their political or strategical interests. Large sums of money had been lent to Persia by both Russia and ourselves, and the effort to keep the machine going in some way or another had cost the two Powers much trouble and anxiety. Very grave responsibilities, moreover, were entailed by our respective frontiers. Count de Pourtalès alluded to the presence of Russian troops in Persian territory, and said that a report had reached him to the effect that Russia intended to increase her forces there by 1,000 men. I said that I did not believe this. His Excellency also referred to the Lake Urumia navigation concession, which he styled a "monopoly."

Earlier in the evening M. Isvolsky had told me that he had received from the Russian chargé d'affaires at Berlin a warning that the German reply to the Russian communication as to railway concessions would not be a very satisfactory one. I will tell M. Isvolsky, whom I am to see to-day, of my conversation with Count de Pourtalès, and will endeavour to ascertain more exactly what the Russian chargé d'affaires at Berlin has reported to him.

[10744]

No. 448.

Sir A. Nicolson to Sir Edward Grey.—(Received March 29.)
(No. 113.) (Telegraphic.) P.

St. Petersburg, March 29, 1910.

INTERVENTION of Germany in Persian affairs.

Russian chargé d'affaires at Berlin has telegraphed to his Government an account of an interview which he has had with the German Minister for Foreign Affairs. M. Isvolsky read me the telegram to-day. The Minister for Foreign Affairs had given verbally to the chargé d'affaires a very stiff reply as to concessions, &c., in Persia. The chargé d'affaires thinks that this reply was given by order of the Emperor. M. de Schoen stated that Germany had a perfect right to obtain concessions anywhere in Persia, whether for railways or for other undertakings. He said that German financial circles were interesting themselves in Persia, and that at any moment a concession for a railway might be granted. M. de Schoen said that if Russia were willing to renew negotiations, he, on his side, was quite ready.

M. Isvolsky told me that, in order to avoid the possibility of any misunderstanding, he would await the reply from the German Ambassador here. He thinks that he will have to reopen negotiations, and endeavour to induce Germany to give up the idea of obtaining from the Persian Government concessions in the Russian sphere of influence. He promised that he would keep His Majesty's Government informed of the course of the negotiations, but it is to be presumed that the negotiations will not be begun immediately, as he himself is leaving St. Petersburg to-morrow, and will be absent for

a month. I remarked to M. Isvolsky that of course it was not his intention to discuss Persian affairs generally, or any matters relating to the Anglo-Russian Convention, with Germany *à deux*, though it was of course open to him to discuss affairs in the Russian sphere of influence and the question of the Bagdad Railway. He said that he quite understood this. M. Isvolsky then went on to say that what alarmed him was the possibility of Germany being able to show that she had in fact already acquired a railway concession. To my enquiry as to whether he would see any objection to making strong representations to Persia, warning her to use caution in granting concessions, M. Isvolsky replied that in his opinion it would be wiser to wait. He added that the Medjlis seemed to be the predominating factor in Persia at present, that it was an impersonal body, and that therefore there was really no responsible person in the country with whom to deal.

[10400] No. 449.

Sir Edward Grey to Sir A. Nicolson.

(No. 149.)

(Telegraphic.) P.

INTERNATIONAL Syndicate and Persia.

The mention of zones is, I agree, undesirable.

Further, it would be well to word the last sentence of the second condition thus: "By which England's and Russia's political and strategic interests might be adversely affected."

Please refer to your telegram No. 111 of the 27th March.

Foreign Office, March 29, 1910.

[10402] No. 450.

Foreign Office to India Office.

Sir,

I AM directed by Secretary Sir Edward Grey to transmit to you herewith copy of a telegram from His Majesty's Minister at Tehran relative to the proposed construction by the Persian Government of a telegraph line from Kuh-i-Malik-Siah to Seistan,* and to state that he will be glad to receive at Viscount Morley's early convenience an expression of his views on Sir G. Barclay's suggestion that financial as well as other assistance should be offered for the work on condition that the line should be under the control of the Indo-European Telegraph Department.

I am, &c.
LOUIS MALLET.

[10843] No. 451.

Sir A. Nicolson to Sir Edward Grey.—(Received March 30.)

(No. 115.)

(Telegraphic.) P.

PERSIAN finances and concessions in Persia.

Your telegram No. 149 of the 29th March.

Your proposed modification of the wording of the last sentence of condition No. 2 is accepted by M. Isvolsky. His Excellency presumes that the first sentence of this condition and the whole of condition No. 1 are to remain as proposed by him.

His version of the last sentence of condition No. 2, from the words "en outre" down to "souffrir que des concessions," would stand as it is, while the sentence would conclude, "qui pourraient porter préjudice à leurs intérêts politiques et stratégiques furent données à des étrangers." I gather that we are to omit not only the allusion to zones, but also the specification of the character of the concessions.

Would it not be better to read political or strategic rather than political and strategic?

* Sir G. Barclay, No. 133, Telegraphic, March 28, 1910.

Am I authorised to tell M. Isvolsky that a reply could now be sent to the Persian Government's note as to the international syndicate, in which the two representatives might state that their Governments have no objection to Persia concluding a loan elsewhere so long as conditions 1 and 2 are observed?

M. Poklewski has telegraphed to M. Isvolsky in practically the same sense as Sir G. Barclay's telegram No. 134. M. Isvolsky is fully alive to the importance of communicating to the Persian Government at the earliest possible date a declaration of our policy with regard to railway and other concessions.

The proposed reply as to the international syndicate gives a sufficiently clear statement of our policy in this respect, and the two representatives could send it in without delay, keeping quite distinct the question of the conditions attached to our advance, which could be considered later on, when a reply has been received from the Persian Government to their note. Does this mode of procedure meet with your approval?

[10906]

No. 452.

Sir Edward Grey to Sir G. Barclay.

(No. 75.)

(Telegraphic.) P.

ANGLO-PERSIAN Oil Company.

Foreign Office, March 30, 1910.

You have already received reports from His Majesty's consul at Ahwaz respecting cultivated land required by the company. According to information supplied to me by the company, the Bakhtiari khans are putting forward exorbitant claims in connection with this land.

If this information is accurate, the khans' representatives should be told that it is above all important that no hindrance should be placed in the way of the company's work, and you should urge them to accept reasonable compensation.

[10400]

No. 453.

Sir Edward Grey to Sir G. Barclay.

(No. 77.)

(Telegraphic.) P.

INTERNATIONAL Syndicate and Persia.

Foreign Office, March 30, 1910.

Please refer to St. Petersburg telegram of the 27th March, No. 111.

Please furnish me with your views by telegram.

[10567]

No. 454

Sir Edward Grey to Sir A. Nicolson.

(No. 150.)

(Telegraphic.) P.

Foreign Office, March 30, 1910.

CONVERSION of debts of Persian Government to Imperial Bank.

Please inform M. Isvolsky of the following:—

The Persian Government have offered to convert their debts to Imperial Bank into sterling loan at 6 per cent. interest. The debts are to be amalgamated; the security is to remain as at present; and the whole loan is to be repaid in 30 years, both capital and interest—the repayment being made in instalments. The Persian Government is to have the option of paying off the loan at the end of three years.

We have no power of control over the bank, and we can hardly therefore refuse our assent, especially as there appears to be no valid objection to the scheme.

[10745]

No. 455.

Sir Edward Grey to Sir A. Nicolson.(No. 152.)
(Telegraphic.) P.

RAILWAY concessions in Persia.

I hope that M. Isvolsky's *locum tenens* will consent to a communication to the Persian Government in the sense proposed by Sir G. Barclay in his telegram of the 29th March, No. 134, and also by M. Poklewsky. I am anxious that such a communication should be made at once, and you should urge this on the Russian Government.

Foreign Office, March 30, 1910.

[10832]

No. 456.

Sir Edward Grey to Sir F. Bertie.(No. 150.)
Sir,

THE French chargé d'affaires informed Mr. Mallet on the 25th instant that the French Ambassador at St. Petersburg had heard that the German Government were intervening in Persia and had adopted a very aggressive attitude, not only with regard to the French assistants in the Persian Ministry of Finance, but with regard to railways also.

M. Mallet informed M. Daeschner that the communication made to me by the German Ambassador here had been of a comparatively mild nature and was more of an enquiry than a protest, but that that addressed to the Russian Minister for Foreign Affairs by the German Ambassador at St. Petersburg had been stiffer in tone.

Mr. Mallet added that, as regards the financial assistants, His Majesty's Government would be quite satisfied with officials of a small nationality and would raise no difficulties, but that they would have to insist on the conditions which they had laid down as regards railway construction, of the general terms of which he informed M. Daeschner.

I am, &c.
E. GREY.

[9891]

No. 457.

Foreign Office to Messrs. Crump & Son.

Gentlemen,

WITH reference to my letter of the 22nd ultimo, relative to the theft by Rahim Khan of some carpets belonging to Messrs. Nearco Castelli and Brothers, I am directed by Secretary Sir Edward Grey to inform you that he has received a despatch from His Majesty's Ambassador at St. Petersburg, reporting that that firm have supplied him with a list of the carpets stolen and supposed still to be in the possession of that chief, and that they have given some explanation of the contents of this list, but have made no request for any action on the part of His Majesty's Embassy.

In view of the statement contained in the last paragraph of my letter referred to, to the effect that, if your clients wish to put forward a claim for the recovery of their property in the Russian courts of law, they should forward it to this Office for communication to the Russian Government through His Majesty's Embassy at St. Petersburg, I am to enquire whether they wish Sir A. Nicolson to take any action in the matter, or whether the letter and list sent to his Excellency was merely for his information, and Messrs. Castelli have already approached the Russian police authorities directly on the subject.

I am, &c.
LOUIS MALLETT.

[10862]

No. 458.

Sir A. Nicolson to Sir Edward Grey.—(Received March 31.)

(No. 159.)

Sir,

I HAVE the honour to transmit herewith copies of a letter which I addressed to M. Isvolsky on the 24th instant and also of his Excellency's reply, received to-day, on the subject of the answer to be given to the Persian Government respecting the offer made to them by the International Syndicate.

I have, &c.

A. NICOLSON.

Enclosure 1 in No. 458.

Sir A. Nicolson to M. Isvolsky.

Mon cher Ministre,

Saint-Pétersbourg, le 11 (24) mars, 1910.
VOUS avez sans doute reçu de M. Poklewsky les réponses très peu satisfaisantes du Gouvernement persan aux notes que nos deux représentants lui ont adressées au sujet de l'avance qu'il pensait procurer d'un syndicat international.

Sir G. Barclay est d'avis qu'on pourrait faire expliquer au Gouvernement persan comment il a manqué à ses engagements financiers vis-à-vis des deux Gouvernements et en même temps avertir le Cabinet persan que s'il persiste à hypothéquer les revenus du pays à un tiers il va s'exposer au risque d'une demande non seulement pour le paiement des arriérés d'intérêts, mais aussi pour le remboursement de la dette flottante.

Sir E. Grey me télégraphie que si vous êtes d'accord il propose d'autoriser Sir G. Barclay de transmettre une réponse au Gouvernement persan dans le sens susindiqué. Je vous serais très reconnaissant si vous vouliez bien me faire savoir vos vues à ce sujet.

Votre sincèrement dévoué,

A. NICOLSON.

Enclosure 2 in No. 458.

M. Isvolsky to Sir A. Nicolson.

Mon cher Ambassadeur,

Saint-Pétersbourg, le 12 (25) mars, 1910.
J'AI en effet reçu de M. Poklewsky un télégramme me communiquant le contenu de la réponse persane aux notes que les deux Ministres avaient adressées au Gouvernement du Schah pour protester contre la conclusion d'un emprunt par l'entremise d'un syndicat international. M. Poklewsky constate que le Gouvernement persan insiste sur son droit d'entrer en pourparlers avec le dit syndicat. Notre Ministre pense que le Gouvernement du Schah tient à interpréter notre droit de veto d'une manière restrictive : il propose d'expliquer au Gouvernement persan la portée exacte de nos droits et de lui faire comprendre que si les intérêts et l'amortissement des dettes conclues à la Banque russe ne sont pas payés, nous nous verrons forcés de réclamer des garanties supplémentaires, ce qui priverait la Perse de la possibilité d'obtenir contre ces garanties de nouvelles sommes d'argent.

Je crois que dans tous les cas nous ferions bien de ne pas poser la question de manière à donner lieu aux Persans de prétendre que nous leur enlevons toute possibilité de conclure un emprunt quelconque en dehors de la Russie et de l'Angleterre, car ceci leur donnerait le droit d'exiger que nous leur procurions l'argent nécessaire d'une façon ou d'une autre et nous imposerait ainsi une obligation fort embarrassante. Il faut aussi prendre en considération que les Puissances tierces pourraient envisager comme une atteinte à leurs droits légitimes une défense absolue à la Perse d'emprunter de l'argent autre part. Peut-être vaudrait-il mieux déclarer au Gouvernement du Schah que la Russie et l'Angleterre n'ont pas d'objections à ce qu'un emprunt soit conclu ailleurs, mais aux conditions suivantes :—

1. Les revenus douaniers et les autres sources de revenus affectés aux services des emprunts conclus en Russie et en Angleterre ne peuvent en aucun cas servir de garanties à de nouveaux emprunts.

2. Toutes les obligations financières contractées par la Perse en Russie et en Angleterre, la dette flottante y comprise, doivent être revêtues de la forme d'un engagement régulier, qui précisera une annuité fixe de la somme des intérêts et de l'amortissement, ainsi que les sources de revenus qui serviraient de garantie à cet engagement. En outre, la Perse devrait être avertie de ce que, tout en n'entrant aucunement la liberté d'entreprises purement commerciales d'autres étrangers en Perse, la Russie et l'Angleterre, ainsi que cela a été porté à la connaissance de quelques autres Cabinets, ne pourraient en aucun cas souffrir que des concessions ayant une importance politique ou stratégique, telles que les concessions de chemins de fer, de routes, de télégraphes, de navigation sur le Lac d'Ourmiah, &c., fussent données à des étrangers dans les zones d'influence respectives.

Il me semble que nous pourrions obtenir ainsi les résultats voulus tout en évitant les inconvénients dont j'ai parlé plus haut.

Je vous serais fort reconnaissant de bien vouloir me faire savoir, dans un délai aussi rapproché que possible, l'opinion du Cabinet de Londres à ce sujet.

Votre sincèrement dévoué,
ISVOLSKY.

[10850]

No. 459.

Sir F. Bertie to Sir Edward Grey.—(Received March 31.)

(No. 137.)
Sir,

WITH reference to my despatch No. 132 of yesterday's date, I have the honour to transmit to you herewith copy of a letter which has been received from Prince Bahram.

I have, &c.
FRANCIS BERTIE.

Enclosure in No. 459.

Prince Bahram to British Embassy.

[Printed literally.]

Dear Mr. Phipps,

Elysée Palace Hotel, Paris, March 29, 1910.
I RECEIVED yesterday a telegram from my father telling that he has received a message from Persia that my mother in Tehran have arranged with the Persian Government for our three villages seized by the Governor of Ispahan, and so you can tell to his Excellency the Ambassador that the protection desired is not for this matter, and you will not have any difficulties for us, as the only matter was this question, and this question is finished, so you may write to the Foreign Office, that they doesn't [sic] think the protection asked is for this matter; the protection is for the future, and I hope they won't refuse.

Yours very sincerely,
BAHRAM.

[10938]

No. 460.

Board of Trade to Foreign Office.—(Received March 31.)

Sir,

I AM directed by the Board of Trade to advert to your letter of the 12th March, in which you ask to be furnished with confidential information respecting the composition and financial standing of the International Oriental Syndicate (Limited).

In reply, I am to state, for Sir E. Grey's information, that this syndicate has been registered at Somerset House as a private limited company, and I am to transmit to you herewith a statement, marked (A), compiled from the records available at that office, from which it appears that the syndicate has been formed for dealing with concessions.

It will be observed that the syndicate's capital is at present little more than

nominal, but the Board presume that this capital would be increased as soon as a concession could be obtained requiring money to handle.

A statement, marked (B), is also enclosed, containing certain information with regard to those of the directors of the syndicate whose names appear in the "Directory of Directors," from which it appears that at least three of these persons are men of good financial position.

I am to add that the Board would require some information as to the business connections and addresses of Messrs. Woolf and Osborne before they could undertake any investigation into their financial position.

I am, &c.
GEO. J. STANLEY.

Enclosure 1 in No. 460.

Statement respecting the International Oriental Syndicate.

(A.)

Registered as a private limited on the 25th October, 1909.

Members limited to fifty.

Objects: To acquire land, oil, gold and silver and other metal concessions, and to prospect for minerals, &c.

Nominal capital, 2,000*l.*, divided into forty ordinary shares of 50*l.*

Paid-up ditto, 1,000*l.*, i.e., twenty fully paid shares.

Directors:—

*W. Emden, 2, Lancaster Place, Strand (three shares).
R. Mitchell, 16, Watling Street, E.C., merchant (four shares).
F. Mack, 15, Angel Court, E.C., merchant (one share).
*A. C. C. Schultz, 2, Commercial Street, Leith, merchant (2 shares).
Joseph Woolf, 119, Piccadilly, W., gentleman (3 shares).
*M. Lambert, 20, Linden Gardens, W.

Other shareholders are:—

H. S. Stoneham, Stock Exchange, broker (one share).
R. M. Mitchell, Richmond, S.W., merchant (one share).
J. Galloway, Murrayfield, Midlothian, gentleman (one share).
W. McDonald, Catford, S.E., gentleman (four shares).
Fred. Kerr, Mimbridge, near Woking, gentleman (four shares).

Enclosure 2 in No. 460.

Statement respecting Directors of the International Oriental Syndicate.

(B.)

W. Emden is director of:—

Alliance Land and Dwellings Company (Limited), (chairman).
Authorised capital, 350,000*l.*

Dover Property and Investment Trust Company (Limited), (chairman).
Dover Engineering Company (Limited).
Baltic Steel Works [J. Beardshaw and Son (Limited)], Sheffield

A. C. C. Schultz is director of:—

Brazilian Goldfields (Limited).
Authorised capital, 160,000*l.* Chairman, C. A. Knight.
London Scottish Investment Trust (Limited).
A. Schultz and Company (Limited), Leith, shipbrokers.

* See Enclosure 2.

Mortan Lambert is director of:—

Ancobra Exploration and Dredging Company (Limited).

Authorised capital, 100,000*l.*

Sekondi and Tarkwa Company (Limited).

Authorised capital, 200,000*l.*

Welgedacht Exploration Company (Limited), (London Committee).

Authorised capital, 250,000*l.* Chairman, William McCallum.

The names of the other members of the board of the International Oriental Syndicate do not appear in the "Directory of Directors."

[10928]

No. 461.

Messrs. Crump and Son to Foreign Office.—(Received March 31.)

Sir,

17, Leadenhall Street, London, March 30, 1910.

CASTELLI Carpets: Referring to your letter to us of the 22nd ultimo, we now enclose a copy of the invoice for our clients' carpets*. Our clients inform us that some of these carpets would be marked with their name, but that in the case of others this would not be so.

Mr. J. Castelli, who is at present at Tehran, writes his firm that the British Minister had not up to the 5th instant received any instructions to assist him in pressing our clients' claim on the Persian Government. We understood that instructions had been sent to that effect, but if this is not the case, we trust that you will see your way to instruct His Majesty's Minister to exercise the strongest possible pressure to bring about a satisfactory settlement of the claim. If you think that any useful purpose will be served by telegraphing His Majesty's Minister at Tebran, we shall be glad if you will do so at our clients' expense.

I have, &c.

WILLIAM A. CRUMP AND SON.

[10978]

No. 462.

Sir A. Nicolson to Sir Edward Grey.—(Received March 31.)

(No. 116.)

(Telegraphic.) P.

GERMANY and Persia.

On the 29th March Count Pourtales called on M. Isvolsky, whose departure from St. Petersburg is being postponed for a few days, owing to the illness of his son. The language held by his Excellency to M. Isvolsky was similar to that held to M. Schebeko by Baron von Schoen, reported by me in my telegram No. 113 of the 29th instant, although Count Pourtales told M. Isvolsky that he had not received instructions from his Government. I omitted to report that the German Ambassador had expressed to me his doubts as to whether the selection of assistants in the Persian financial department from the subjects of small Powers would satisfy the German Government; and his Excellency has now said the same thing to M. Isvolsky, and also spoken on the question of concessions with special emphasis, maintaining that the hands of Germany were perfectly free. He indicated at the same time that Germany's attitude might be modified if she secured some compensation in return, and that she might be willing to conclude a bargain.

A written reply has not yet been received by M. Isvolsky from the German Government to his last communication, but his Excellency observed that there seemed to be an increasing vigour in the tone of the language employed by them.

* Not printed.

[10922]

No. 461*.

Sir G. Barclay to Sir Edward Grey.—(Received March 31.)

(No. 135.)

(Telegraphic.) P.

Tehran, March 31, 1910.

IN continuation of my telegram No. 125 of the 21st March, I have the honour to state that a report of the submission of Karib Khan has reached His Majesty's consul-general at Ispahan.

[10980]

No. 461†.

Sir G. Barclay to Sir Edward Grey.—(Received March 31.)

(No. 136.)

(Telegraphic.) P.

Tehran, March 31, 1910.

PLEASE refer to Sir A. Nicolson's telegram No. 111 of the 27th March.

If I can assume that the merging of the Russian and English debts is not contemplated in the first sentence of condition 2 (the passage has been slightly mutilated in transmission), I should prefer Russian proposal to that contained in my telegram No. 126 of the 23rd March. It is probably as good a block to outside loans as it is possible to have in default of an invocation of article 14 of Russian loan contract which Russian Government have apparently renounced.

[1704]

• 4 B*

[10752]

No. 463.

Sir Edward Grey to Sir G. Barclay.

(No. 82.)

(Telegraphic.) P.

TURCO-PERSIAN frontier.

Have you heard anything which will confirm reports in communication made by Russian Embassy as follows:—

Russian consuls at Urumia and Tabreez report that a Turkish force passed through Urumia on the 17th and 18th instant, and occupied the western shore of Urumia Lake in the Dalsk district. There is also a question of an advance towards the lake through Khoi, Salmas, and Urumia. Urumia itself will shortly be occupied, and besides a consular escort, there are already fifty Turkish cavalry in the town.

Duties are levied on all goods at Baranduz and Jebelkend, where customs-houses have been established, and the whole of the Urumia district is being taxed by the Turks. Kurdish brigands, instigated by Turks, are rendering communication between Urumia and Tabreez dangerous.

The Turks have increased their force in the district by 400 infantry and 500 cavalry, according to latest information.

[10843]

No. 464.

Sir Edward Grey to Sir G. Barclay.

(No. 84.)

(Telegraphic.) P.

INTERNATIONAL syndicate and Persia.

You may now act in accordance with my telegram No. 155 of to-day to St. Petersburgh.

[10843]

No. 465.

Sir Edward Grey to Sir A. Nicolson.

(No. 155.)

(Telegraphic.) P.

INTERNATIONAL syndicate and Persia.

See your telegram No. 115 of yesterday.

Your suggestion that "political and strategical" should be altered to "political or strategical" has my approval, and I also agree that we should omit specification of character of concessions.

His Majesty's representative at Tehran is being instructed to concert with his Russian colleague in making proposed reply, and you may telegraph Minister for Foreign Affairs that we are satisfied with it.

[11445]

No. 466.

Sir Edward Grey to Sir E. Goschen.

(No. 80.)

Sir,

Foreign Office, March 31, 1910.

I OBSERVED to the German chargé d'affaires to-day that, though I was not speaking officially, or with the object of bringing forward anything for discussion, I had been reflecting upon what Count Metternich had said to me as to the non-renewal of the discussions started by Herr von Bethmann-Hollweg last autumn with regard to a general arrangement between England and Germany.

A reduction in naval expenditure was, in our view, essential to any arrangement of this kind, and Count Metternich had reaffirmed the impossibility of altering the German Naval Law. An arrangement of this kind was, therefore, not possible at present; but it seemed to me that the key to smooth relations in many respects between the two countries might be found in a settlement of the Bagdad Railway question. This had been suggested to me by the representations which Germany had recently made here and in St. Petersburgh respecting Persia. The German Govern-

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ment did not wish to have a discussion of the Bagdad Railway *à quatre*; but we, on the other hand, though we might discuss the question separately, could not have a settlement except *à quatre*—i.e., we could not have a settlement with Germany ourselves unless France and Russia also had a settlement with Germany. With regard to France, there was no difficulty. With regard to Russia and ourselves, perhaps a settlement might now be made which would include the Persian question.

The German chargé d'affaires received this very sympathetically. He said that he had felt for some time that a frank discussion of Persian affairs, though in a non-committal way, would be desirable to prevent the growth of a bad sentiment. Germany did not wish to be made to feel that a monopoly was being established against her in Persia in favour of England, Russia, and eventually France.

I told him that we were bound to watch very carefully our strategic and political interests. This would not be so necessary if Persia were a strong country, able to hold matters in her own hands; but, as she was so weak, we were obliged to guard against her giving away concessions which would injure us strategically or politically. On the other hand, however, we had no desire to exclude foreign commerce by establishing a commercial monopoly. There was a certain analogy between the situation in Persia and the situation in Morocco. The analogy was not exact, because in the case of Persia there was no convention of the nature of the Algeciras Act. But, still, as Germany had been able to come to a working arrangement commercially with France about Morocco, I did not see why she should not get on in a similar way with Russia and ourselves about Persia.

The German chargé d'affaires remarked that he had known something of Morocco when he was there, and, in his opinion, there need have been no trouble had it not been for the bad sentiment which was aroused some time ago. He saw no reason why an arrangement should not be come to with regard to Persia, and why the arrangement should not be satisfactory to our position in the Persian Gulf. He understood that we had considered our position in the Gulf to be prejudiced by the Bagdad Railway project.

I said that a great deal of Indian and other British trade went to the Gulf; for generations we had done all the work there, and the Lynch concession had control over one of the means of communication into Mesopotamia. Control over means of communication had much to do with the flow of trade, and if the railway were made down to the Gulf and irrigation took place in Mesopotamia, the means of communication now in our hands would be entirely superseded. It was in this sense that our position in the Gulf was at stake. So far as the northern sections of the railway were concerned, Germany was not displacing anything of ours; but, if Germany had control over the southern section, she would be displacing our vested interests.

The chargé d'affaires told me that it was believed to be our view that, even if Germany did give us control over the southern section, this would not be a concession for which we owed anything to Germany.

I pointed out that the investment of British capital in the completion of the line would be a *quid pro quo*, and so would be our consent to the 4 per cent. increase of the Turkish customs dues, which would help the Turks to find the money for the other sections of the railway.

The chargé d'affaires dwelt upon the difficulty which his Government experienced owing to the pan-German feeling. This feeling made it hard for them to appear to make concessions without getting substantial considerations in return. At the same time, he did not think this was a reason for not preparing the way for a settlement.

I said my reflections had been much influenced by the impression made upon me of a good disposition and a genuine desire to smooth matters on the part of Herr von Bethmann-Hollweg, and I would add of Herr von Schoen also.

I am, &c.
E. GREY.

[5618]

No. 467.

Foreign Office to India Office.

Sir,
I AM directed by Secretary Sir Edward Grey to acknowledge the receipt of your letter of the 16th ultimo, relative to the further assurances which the Sheikh of Mohammerah desires to receive from His Majesty's Government.

Foreign Office, March 31, 1910.

I am to inform you in reply that, in view of the considerations adduced by Viscount Morley, Sir E. Grey concurs in the view that the concession involved in the mention, in the communication to be made to the sheikh, of a definite period during which the assurances should hold good may be kept in reserve for the present.

As regards the question of protecting the sheikh from foreign aggression, I am to state that the proposal to substitute for the form of words suggested in my letter of the 31st ultimo that made use of in the agreement between His Majesty's Government and the Ameer of Afghanistan has received careful consideration in this department, in consultation with His Majesty's consul-general at Bushire.

I am to state that the earlier formula was adopted, after long reflexion and exhaustive discussion of the question with Major Cox, because it appeared to be such as would convince the sheikh of the honest intention of His Majesty's Government to do their best to safeguard him, as far as they possibly can, having regard to the state of local and general politics at the time, while not committing them in all circumstances to intervention by force of arms.

Sheikh Khazal is, in Sir E. Grey's belief, well aware that circumstances might arise in which it would be impracticable to give him effective help, and could easily be made to understand that the assurance, while constituting a pledge of the sincerity of the intention to afford him all the aid which His Majesty's Government have it in their power to lend, is yet given with that qualification.

Sir E. Grey is convinced that the form of words used in the agreement with the Ameer would fail to satisfy the sheikh, but, on the contrary, would rather tend to excite his apprehensions, and that, rather than offer it to him, it would be preferable to endeavour to avoid the question till it is again pressed by him.

In view of the above considerations, in the cogency of which Major Cox entirely concurs, I am to express the hope that Lord Morley may see his way to withdraw the objections which he has raised to the adoption of the formula proposed in my letter above referred to.

In order, however, to remove all possibility of misunderstanding on the sheikh's part of the nature and scope of the assurances, Sir E. Grey would suggest that Major Cox should receive instructions, when communicating to his Excellency the assurances in writing, to convey to him at the same time a verbal intimation that, while His Majesty's Government are perfectly sincere in their intentions towards him and have therefore given him these assurances, yet circumstances might arise in which it would be impossible for them to intervene by force on his behalf. In such a case he would, of course, receive the strongest diplomatic support. Major Cox would record in writing the substance of the conversation in the course of which this intimation was made to the sheikh.

I am, &c.
LOUIS MALLET.

[10906]

No. 468.

Foreign Office to Mr. C. Greenway.

Sir,

IN the course of a visit which you paid to this office on the 29th instant, you stated that the Bakhtiari khans have demanded extortionate compensation from the Anglo-Persian Oil Company for the cultivated land required by the latter for their pipe line and works, and that they threaten to stop the operations of the company's workmen unless these demands are satisfied, and asked that a telegram might be sent to His Majesty's Minister at Tehran, instructing him to urge on the khans' representatives that reasonable compensation should be accepted, and to insist that the company's work should on no account be interfered with.

I am directed by Secretary Sir Edward Grey to inform you that, in accordance with your wish, he addressed a telegram to Sir G. Barclay on the 30th instant, directing him, should the facts be as reported, to take the steps alluded to above.

I am, &c.
W. LANGLEY.